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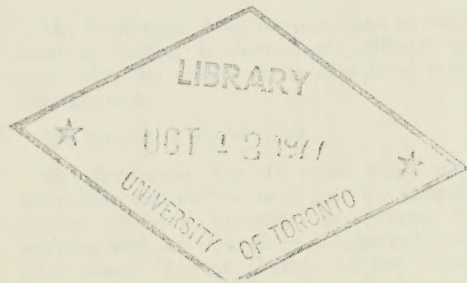
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Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, APRIL 18, 1977

The House resumed at 8 p.m.

THRONE SPEECH DEBATE (concluded)

Mr. Breithaupt: As I gaze about this crowded chamber, Mr. Speaker, I certainly realize, of course, what an honour and privilege it is to wind up this Throne Speech debate on the part of the Liberal Party. I recognize that to a very great extent the contribution which I may make and that of my counterpart, the House leader for the New Democratic Party, the member for Wentworth (Mr. Deans), are likely to be regarded as little more than a prelude to the big event of the evening, namely the windup—or should I call the wind up—speech of the Premier (Mr. Davis). It will be interesting to see how Hansard delineates the difference between the two phrases.

One wonders, indeed, if there is some significance to the fact that the Premier has elected to be the grand finale, so to speak, of the debate on the Speech from the Throne. I am sure the three government members who are present will pass on to the Premier my views with respect to the contributions he has made in the past.

Mr. Eakins: Let's put it on the record.

Hon. Mr. Welch: You can count on me, Jim; others wouldn't.

Mr. Breithaupt: Now that we have had a member cross the floor, they are up to four, of course; but I presume that the benches may indeed be somewhat more crowded as the witching hour of 9:30 draws nigh.

Mr. Angus: Watch it; here comes the Minister of Housing.

Mr. Breithaupt: Last year, the Premier was content to make his contribution early in the debate but, of course, he was in a somewhat more cautious mood at that time.

Hon. Mr. Rhodes: Thanks to you guys.

Mr. Breithaupt: He was anxious not to be provocative; at least that was what he constantly assured us.

This year the situation is a little different, and I have the distinct feeling we can expect considerable provocation from the Premier later this evening—a provocation which doubtless will be exacerbated by his colleague, the Treasurer (Mr. McKeough) tomorrow.

It is almost amusing to watch the manoeuvring that is going on. According to the political pundits, the Premier is being pressured to go to the electorate; and, of course, why not? The Gallup polls indicate, shall we say, a slight rise in Conservative popularity? All indications point, unfortunately, to the economy and unemployment situation being likely somewhat worse as the year moves on before it begins to improve.

Mr. Spence: It's terrible.

Mr. Breithaupt: Also, the provincial government is finding it increasingly difficult to cope with the results of its own fiscal mismanagement.

Mr. Spence: I would think so.

Mr. Breithaupt: On the other hand, surveys show that for the most part the general public considers minority government is working well and that there is apparently no valid reason for an election at this time. Against this background, we have the Premier anxious not to be seen as pulling the plug to cause an election. We see the leader of the New Democratic Party, the leader of the official opposition (Mr. Lewis), saying of the Throne Speech: "This is great. Minority government is working and there's not one thing in that document that inspires anger in my heart." He undertakes that the official opposition would be positive models of co-operation, and I suggest to you, Mr. Speaker, that we in the Liberal Party, of course, are being reasonable, responsible and constructive.

Hon. Mr. Rhodes: And scared to death.

Mr. Breithaupt: The Premier, therefore, is on the horns of a dilemma: how to precipitate an election without appearing to do so. It will be fascinating to watch his endeavours to achieve them. Then, of course, the Premier's unique brand of convolutions and

contortions, both mental and verbal, are a never-ending source of fascination to us all.

Mr. Nixon: And amusement.

Mr. Breithaupt: However, perhaps he should bear in mind—

Interjection.

Mr. Breithaupt: —the words of his colleague, the member for Wellington-Dufferin-Peel (Mr. Johnson) when that worthy gentleman seconded the Speech from the Throne. He exhorted us to remember, and I quote: "At a time of such economic uncertainty, a time when the definition of our nation is being questioned, we would serve our constituents best by solving problems, rather than engaging in political rhetoric or partisan grandstanding."

Mr. Eakins: That's right.

Mr. Breithaupt: The Throne Speech has been interpreted by many people as an indication that minority government is working and working well. It incorporated a response to almost every issue raised since the last election by opposition parties, maintaining that, and I quote: "With dependable legislative co-operation the government's programme can be achieved by the end of the present year." I might add, of course, an election notwithstanding.

If legislative co-operation is the only requirement, then that would be fine. However, as a Toronto Star editorial on March 30, pointed out, most of the problems to which the Throne Speech purports to offer solutions have been "with us throughout the 30 years Tory governments reigned supreme at Queen's Park."

Mr. Haggerty: Shame.

An hon. member: Bring them down.

Mr. Breithaupt: "Promises to solve them all now invite a certain amount of scepticism."

Hon. Mr. Rhodes: Thank you for the big hand.

Mr. Eakins: You're the only one here to receive them.

Mr. Breithaupt: The same editorial also stresses the fact that the Premier, and I quote, "even if he had a secure majority, couldn't hope to get this amount of legislation through a full four-year term of office, let alone the single session the Throne Speech is supposed to deal with."

Mr. Eakins: That's right.

Mr. Breithaupt: Typical of Throne Speeches, this latest edition provides no specifics, only generalities. We need to know how the proposed measures are to be administered, what are the costs involved, and whether the government seriously intends to implement the proposals, or whether the whole speech is just so much pie in the sky—a veritable election platform, in fact. As an unregenerate sceptic, I prefer to reserve judgement at least until tomorrow's budget.

The final paragraphs of the Throne Speech show a remarkable degree of poetic licence. They spoke of "building a sense of promise and of national pride, of a fair and balanced society and of economic stability, of distributing economic opportunity fairly throughout Ontario."

We were informed that the "government's programme provides for every Ontarian the opportunity to live in freedom, work in peace and attain self-fulfilment and satisfaction. It assures our people that their Ontario, our Ontario, affords them the capacity to shape their own particular and unique part of the Canadian dream in confidence, security and freedom."

I suggest the government tell that to the 300,000 men and women in Ontario who are unemployed, tell that to the overburdened taxpayers of this province, and tell it to the people struggling to meet rapidly rising energy costs from an already overstrained budget.

On the subject of current unemployment figures, the Ontario Economic Council has issued a stern warning that this province faces above-average unemployment through the next decade. Projections by the council for the next five years show an unemployment rate of 7.1 per cent on average from 1978 through 1982, compared with 4.2 per cent from 1968 to 1972 and only 3.6 per cent in 1966. The council has recommended tax cuts, especially personal tax cuts, and reductions in sales and excise taxes and more vigorous manpower policies to match people and jobs. Continued restraint in government spending is also recommended.

This serious unemployment situation has not come about overnight. Last December we all witnessed a good deal of publicity, pomp and circumstance in connection with the Treasurer's so-called economic strategy statement. At that time, my colleague, the member for London Centre (Mr. Peterson), called upon the government to take into account Conference Board predictions that

our unemployment problem in Ontario would be very serious for the coming year, that is, 1977. We stressed the fact that this province's predicted increase in unemployment was higher than the national average and that we were already at that time running at 6.3 per cent compared with 5.8 per cent previously.

We asked at that time whatever had happened to those 116,000 new jobs that the Treasurer promised in his budget of April 1976. How does the Treasurer justify job vacancy rates for Ontario throughout the last half of last year which were not only lower than the national rate, but much less than half the rate of the prairie region—that is, Manitoba, Saskatchewan and Alberta combined? Is the Treasurer prepared to permit Ontario to continue to lag behind the prairie provinces in job creation?

An hon. member: Yes.

Mr. Breithaupt: Does this government really have no concern over the eight per cent of our work force which is unemployed—the 316,000 and more men and women who cannot find jobs in this province of opportunity? As George Radwanski of the Financial Times pointed out on March 28, this serious unemployment situation “carries a number of consequences. In the first place, it isolates one of the most basic objectives of a free, prosperous society to give every willing citizen the opportunity to pursue gainful employment commensurate with his abilities. Without that opportunity, many other freedoms mean little.”

Mr. Nixon: And the Tories don't care. There's just one cabinet minister present, and he's on the way out.

Mr. Peterson: He's a junior one anyway.

Hon. Mr. Rhodes: And that is coming from a guy who knows what it's like to go out.

Mr. Nixon: He's even a retreaded Liberal.

Mr. Speaker: Order, please. The hon. member for Kitchener has the floor.

Mr. Breithaupt: Our free enterprise system cannot exist without opportunities for individual initiative and achievement, opportunities that begin with a job. The average worker in Canada produces something like \$19,000 annually in goods and services. With 316,000 and more unemployed, we in Ontario are losing more than \$6 billion in badly needed economic growth this year. It is totally inconsistent in our democratic free-

enterprise beliefs to suggest than an eight per cent unemployment rate is an acceptable price to pay in the fight against inflation. The Treasurer, it would seem, does not find this rate unacceptable.

Mr. Eakins: He doesn't care.

Mr. Nixon: He's not even here to listen.

Mr. Breithaupt: May I remind him of his 1972 budget statement when he told us: “Any unemployment figure in excess of three per cent is not acceptable to the Ontario government. We know from experience that the Ontario economy can operate successfully at that level.”

Mr. B. Newman: Who said that?

Mr. Peterson: Why, the member for Wentworth could employ three barbers himself.

Mr. Breithaupt: If the Ontario economy could work successfully at the level of three per cent, then it must be clear, to use the phrase of those bumper stickers, unemployment is not working, that the Ontario economy is being mismanaged.

Our young people are particularly hard hit by the unemployment situation. This province's unemployment rate among workers under 25 years of age is 14.8 per cent. Among those under 20, it's 19 per cent. There are 143,000 young Ontarians who cannot find work. As my leader pointed out in his contribution to the Throne Speech debate, this youth unemployment figure is equivalent to the combined populations of two communities close to the hearts of most Conservatives in this province, the two communities of Brampton and Chatham.

Mr. Nixon: Here's the Minister of Lotteries. That's the second minister.

Hon. Mr. Welch: I was here at 8 o'clock. Where were you?

Mr. Breithaupt: Statisticians tell us that young people will be coming into the work force faster than the economy expands until the mid-1980s.

Mr. Nixon: You don't have much staying power.

Hon. Mr. Welch: I was just looking after my responsibilities.

Mr. Breithaupt: The Canadian Council for Social Development has warned that Canada could be faced with a politically and economically explosive situation if nothing is

done to ease the severe rate of unemployment among our young people.

[8:15]

This council recently deplored the haphazard manner in which governments have dealt with the problem and the, "prevailing public attitude which ranges from one of indifference and apathy to blaming youth themselves." We cannot write off these unemployed young people as the price of fighting inflation. We cannot abandon them. We cannot and we shall not do so.

Mr. Nixon: Trudeau has the answer to that.

Mr. Breithaupt: For young people, special measures and new approaches are required to create jobs.

As a recent Toronto Star article pointed out, and I quote: "Unemployment among our young people can no longer be regarded simply a part of a larger unemployment picture. It's a new ailment, chronic and intransigent in nature, requiring special treatment."

New and dramatic structural changes to our economy must be initiated in order to facilitate entry into the labour force of our young people. We propose the establishment of an Ontario youth service with the objective of generating employment for young people in both the public and private sectors. One proposal already mentioned by our leader is to supplement unemployment insurance benefits now received by unemployed youth.

The federal government has already shown interest in greater flexibility for UIC funds and is now participating in a job-creating programme in Newfoundland which Ontario would do well to study carefully. A supplement of \$10 per week could create 100,000 jobs for the overall price of some \$50 million. A home insulation programme would enable homeowners to insulate for the cost of materials only. The Ontario youth service, under proper direction, could provide some of that labour. By upgrading Ontario's housing stock to 1975 federal standards, we could reduce consumers' fuel bills by some 36 per cent and reduce our energy consumption for an annual saving of some \$412 million at 1977 prices.

Provision of in-home services for elderly people in our society would enable them to continue living independent lives outside of institutions. The potential cost saving for government is enormous. The Ontario youth services would assist elderly residents with home maintenance, cleaning, meal preparation

and shopping, at the same time providing companionship to many who are tragically lonely.

Mr. Nixon: It sounds good to me.

Mr. Breithaupt: To create jobs for our young people in the private sector, the Ontario youth service would pay a portion of the salaries for young people who are hired by industry as trainees or apprentices.

Hon. Mr. Welch: They could come and visit me.

Mr. Peterson: You're going to need someone to visit you after the next election.

Hon. Mr. Welch: I'd be grateful.

Mr. Breithaupt: This measure would be of particular assistance to small businesses. Funds for such programmes are available from the federal government but we are now seeing that they are being channelled primarily into community colleges for institutional training.

Mr. Nixon: The federal government takes the lead again.

Mr. Breithaupt: The Ontario youth service would reorient our efforts to emphasize our on-the-job training in co-operation with Canada Manpower.

Mr. Hodgson: Somebody has got to take the lead, Bob.

Mr. Breithaupt: The Ontario youth service would also undertake to substantially upgrade the vocational counselling provided to students, particularly in high school. At present, students are provided with almost no information on trades in demand, rates of pay or methods of application. Despite the very clear predictions of our over supply several years ago, hundreds of students were steered into nursing schools and teachers' colleges, and even worse, far more than could be employed were accepted, trained and graduated with unmarketable skills.

Mr. Nixon: Totally irresponsible.

Mr. Breithaupt: An overwhelming majority of our unemployed youth want to work. We must provide them with the job opportunities before their frustration erupts in violence or they turn on our economic system in a manner of a graduate—

Hon. Mr. Welch: What are you, the straight man over there Bob?

Mr. Breithaupt: —from Carlton who said, and I quote: "For the first time in my life I'd be willing to go on unemployment insurance because I think this terrible situation is the government's fault."

Mr. Hodgson: Join the NDP tonight, Bob.

Mr. Breithaupt: The Liberal Party has long advocated increased assistance to the small business sector which is labour-intensive and can create new jobs more quickly and cheaply than capital-intensive industries. I'm sure that the 10 Conservative members who are here at the present time have spent some time considering the policy—

Hon. Mr. Welch: It is getting better.

Mr. Nixon: It is only eight.

Mr. Breithaupt: —paper which we have issued outlining the position of our party in the field of small business, a sector which has been long neglected by the provincial government. The problems and needs of small and large businesses are clearly not the same. A small business is flexible, able to adapt quickly to—

Mr. Nixon: You're a mobile cabinet minister.

Hon. Mr. Welch: Some of us count as two.

Mr. Breithaupt: —changes in the market and possesses great potential for technological and other innovation, and it also employs between 50 and 60 per cent of all Canadians. We believe that a legislative commitment to small business should be undertaken, similarly to the American commitment entered into by the federal government of that nation.

Lack of managerial expertise and entrepreneurial spirit have had serious results to the viability of small business. We have proposed the establishment of entrepreneurial advisory centres to be funded by the government and administered by the private sector. Shortage of capital also severely restricts the start-up and expansion of small business. We propose allowance for a full tax deduction against other income for investment in venture capital for small business start-ups and expansion by both corporations and individuals and also for the provision of government services in sharing of losses actually experienced by the financial institutions on loans provided to small business.

Mr. Nixon: Here comes the Minister of Agriculture and Food (Mr. W. Newman), number three from the bottom.

Mr. Mancini: He was in my riding and he got seven people out to a meeting.

Mr. Ruston: Were there only seven people out to that meeting?

Mr. Nixon: Did he only get seven in Essex?

Mr. Breithaupt: I must say in response to that comment that I am not doing all that much better.

Mr. Nixon: Oh, yes, you are.

Mr. Breithaupt: At present, the burden of payroll taxes to pay the increasing costs of social welfare programmes falls most heavily on small firms. There are no income compensating public policies to offset this grave problem—

Mr. Nixon: None at all.

Mr. Breithaupt: —which in turn restricts capital formation and therefore the ability to finance growth.

Mr. Nixon: They are pouring in. Here comes number four.

Interjections.

Mr. Speaker: The hon. member for Kitchener has the floor only.

Mr. Breithaupt: We have proposed government payment of payroll taxes for each additional worker employed by a firm in a given year up to a net gain in manpower of 10 persons for a three-year period. Corporate tax costs of small businesses should be lowered to ensure their ability to develop internally generated sources of equity capital. A forgivable succession duty on small family business corporations could be extended to apply to businesses where shares are owned by more than one family. We also believe Ontario should undertake a preferential purchasing policy for small business. It should be possible to set a target of 40 per cent of all government contracts and sub-contracts to be awarded to small business within a three-year period. Another potential for job creation is the province's mining industry which has suffered a serious decline under the short-sighted policies of this government.

Mr. Nixon: Ever since John White.

Mr. Breithaupt: We should be able to depend upon the mining industry to create new wealth and new jobs. However, as the Northern Miner noted recently, "Ontario mining is heading for an eventual decline unless there is a marked change in the province's investment climate and policy to—

wards high-risk exploration ventures." The Ontario metal mining industry provides jobs for about 40,000 people directly and for many more indirectly, and produces directly about three to four per cent of the gross provincial product. But now, for the first time since World War II, no major new mines are under construction.

Mr. Nixon: Shame.

Mr. Breithaupt: There are no new mine openings scheduled for anywhere in Ontario in the foreseeable future.

Mr. Nixon: John White's legacy.

Mr. Breithaupt: The present Minister of Northern Affairs (Mr. Bernier), formerly the Minister of Natural Disasters—Natural Resources—

Mr. Peterson: That's good-quality humour for a change.

Mr. Breithaupt: —was of a view that the reason no mines are opening within the province of Ontario was because of the socialist hordes being at the gate. Perhaps in his new position he will have a chance to think that through again. Ontario's mining industries are in the fifth year of a slump and, according to a report prepared by the mines division of the Ministry of Natural Resources, the industry is continuing to decline. That report found that an early warning indication of the health of the metal mining industry is the level of exploration activity. According to this indicator, Ontario can anticipate a continuing decline.

Mr. Nixon: Unless of course there is a change in government.

Mr. Breithaupt: That could be a possibility, of course. Exploration expenditures in Ontario during the 1972-1976 period were about \$15 million per year, down substantially from the annual average of \$23 million in the 1967 to 1971 period.

Interjections.

Mr. Breithaupt: I hope I am not keeping you from anything. No discovery leading to probable new mine construction has been made in Ontario since 1971.

Mr. Nixon: That was the last year of John Roberts.

Hon. Mr. Rhodes: Tell us about the last year of Mitch Hepburn.

Mr. Breithaupt: That's correct. Many of the remedies for our ailing mining industry

are within the jurisdiction of Ontario's government.

Mr. Nixon: The Minister of Housing was still a Liberal.

Hon. Mr. Rhodes: The member for St. George (Mrs. Campbell) was still a Tory.

Mr. Breithaupt: In order to restore health to this vital sector of our economy and to create jobs, the government should, first of all, revise its mining taxes to make the expected rate of return more attractive in relation to alternative investment opportunities. Ontario's mining taxes and the revisions in 1974 resulted in more than a tripling of revenues from mines, even though profits from the industry dropped by about 40 per cent.

They should immediately modify the junior exploration company financing policy of the Ontario Securities Commission. The OSC policy, issued last April, has all but eliminated the raising of risk capital for mining exploration. Clearly, the restrictive regulations are causing more harm to legitimate operations and to our economy as a whole than they are to dishonest penny stock promoters.

Mr. Nixon: If only James Dunn were here.

Hon. Mr. Rhodes: Sir James Dunn. Show a little respect.

Mr. Breithaupt: The Liberal leader raised questions on the matter in this place last fall, and my colleague from Rainy River (Mr. Reid) expressed, as early as last May, his concern about the restrictive nature of this policy. Finally, the OSC says it is considering a policy change.

Hon. Mr. Rhodes: He mentioned it to his brother, John.

Mr. Breithaupt: In response to the Minister of Housing, I'm sure his mentioning of that policy to his brother, the federal member for the riding, will have done a lot more than in fact any mention to this government would have done.

Mr. Nixon: Because this government doesn't care about northern development. It's going to be wiped out in the north.

Mr. Speaker: Order, please. The hon. member for Kitchener can make his own speech, I think. You may continue.

Interjections.

Mr. Breithaupt: As the song says, Mr. Speaker, I always appreciate a little help from my friends.

Mr. Speaker: I'm not sure you'd call it help, but the hon. member has the floor.

An hon. member: Just waiting for the crowd to gather.

Mr. Breithaupt: The unemployment problem will clearly continue to worsen unless fast and effective action is taken to stimulate the economy. In this connection, I must confess I was quite disappointed in the federal budget. I agree with our leader's view that the budget failed to meet the most important economic challenge in Canada and in Ontario—the urgent need for job creation.

An hon. member: You'd make a good federalist.

Mr. Breithaupt: The provincial Treasurer may consider such a budget to be honest medicine, as he terms it. But I would venture to suggest that this country's present, vast army of unemployed will find it a very unpalatable medicine, indeed. Doubtless, in an attempt to appear humane and concerned, he at least unbent sufficiently to say, and I quote, "These are not happy times for the economy. Some of our citizens are experiencing real hardship." End of quote.

I suggest that was rather a masterpiece of understatement, but the Treasurer has praised the federal budget and indicated his own main objective was "to be supportive of overall federal leadership". Well, I agree with the Toronto Star; it's some change of attitude for the provincial Treasurer, who only a year ago was proudly recounting how he had acted to stimulate the Ontario economy against Ottawa's inadequate budgets of 1974 and 1975. Now he tells us we cannot further increase aggregate spending without crowding capital pools, fuelling inflationary expectations and, of increasing importance, burdening the independence and incomes of future generations with massive debt. If there's anyone who knows about massive debt, it's surely the Premier and the Treasurer of this province.

Mr. Nixon: Disgraceful.

Mr. Breithaupt: Those who like to follow the provincial Treasurer's activities have had considerable grist for their mills recently. I was interested to note that a month or so ago he told Ontario realtors that the province could soon be experiencing the biggest demand for housing in its history. Three main

reasons that he cited were that housing prices had stopped outstripping gains in income, that mortgage rates have dropped, and that property taxes have been held down by municipal restraint and by generous provincial grants.

Mr. Nixon: Why is Darcy McKeough making all these speeches?

Mr. Deputy Speaker: Why is the member for Brant-Oxford-Norfolk trying to make one?

Mr. Nixon: Will you stop interjecting, Mr. Speaker.

Mr. Breithaupt: One wonders why this latter statement would seem to be a little unrealistic, to say the least. However, I won't allow myself to be diverted at this point. I wish to concentrate upon the general statement that there will be an enormous demand for housing. The question is, of course—is the demand going to be met by supply? I'm delighted that the Minister of Housing is among those present this evening.

Mr. Nixon: He was here from the start.

Mr. Breithaupt: For some time there has been a crying need for affordable housing in this province. A study of housing requirements for Ontario shows that demand for new housing will remain at high levels for the next 10 years, averaging some 88,000 units annually through 1981. Yet housing starts in Ontario have declined from 110,536 in 1973 to 79,968 in 1975. The preliminary statistics for 1976 indicate total housing starts in urban Ontario in 1976 increased by only four per cent over the previous year, while total housing starts in urban Canada as a whole increased by some 15 per cent.

[8:30]

Mr. Nixon: Another Ontario failure.

Mr. Eaton: How far were they behind us before that, though?

Mr. Breithaupt: In examining our housing needs, we must consider the age and other characteristics of our population. According to various population studies, the most significant factor causing an increase in the number of households will be the fact that the post-war baby boom generation will reach the prime ages of family formation between 1971 and 1986. Ontario government projections show there will be an increase of more than a million persons in the 25 to 44 age group in those years. Virtually everyone is aware of the tremendous rise in the cost

of housing over the past few years. The price of housing has been rising more rapidly than personal disposable income or than the general price level.

Mr. Nixon: A tragedy.

Mr. Breithaupt: The cost of the average resale home in Ontario increased from \$25,784 in 1970 to about \$52,612 in 1976. In 1961, 69 per cent of all Ontario families could finance the purchase of the average Ontario resale home sold through a real estate broker and still spend less than the recommended one-quarter of their gross income for principal and interest payments. In 1971, 58 per cent of families could finance the average resale house. But by 1974, only 29 per cent of families could afford to do so.

We in the Liberal Party consider a situation where a substantial majority of the working citizens of this province are unable to purchase a home should they wish to do so, and where a substantial number of tenants are paying crushing rents, to be simply intolerable. The government's record in either stimulating housing construction in the private sector or itself supplying government-assisted housing, is pitiable. Possibly the key to achievement of a reasonable price level for single-family lots is the establishment of a massive land-servicing programme in the environs of our cities, towns and villages. Instead of land-banking programmes, the government would be better advised to spend the same amount of money on the provision of water and sewage trunks and to streamline the subdivision approval process to encourage an oversupply of lots in the market.

In short, the provincial government would probably accomplish much more if it were to concentrate on the provision of more serviced land in co-operation with the municipalities, and reduce the red tape which slows down approvals and raises housing costs as developers hold land for an excessive length of time.

We must encourage reasonable expansion of communities which have already installed hard services and make adequate provision of soft services, instead of building new cities and towns. Standards should be made more flexible so that, for example, septic tanks can be used where conditions rule against sewers. Incentives should be provided to municipalities to encourage development of a variety of housing geared to the needs of poorer families and of senior citizens.

The Throne Speech promised to us that the government "will continue to increase the amount of rental housing for senior

citizens and families of low income." We can only hope that it will not continue this process at the same pace as it has attempted to meet the need in the past.

Mr. Nixon: Housing for the whole cabinet.

Mr. Breithaupt: The leader of the official opposition put it rather well, I thought, when he reminded the House that before the Ministry of Housing was formed, we were building low-income family units in Ontario—socially assisted housing—at somewhere between 2,000 and 8,000 units per year. Then we created the Ministry of Housing in October 1973.

Mr. Nixon: The member for Brock was the first minister.

Mr. Singer: He discovered the member for Sault Ste. Marie (Mr. Rhodes) at about that point.

Mr. Breithaupt: In 1974 we built 494 units of socially assisted family housing units—

Mr. Nixon: He ruined it.

Mr. Breithaupt: —in 1975 we built 474 units, and in 1976 we built 202 units for all of Ontario.

Mr. Nixon: A disgrace.

Hon. Mr. Rhodes: Totally untrue.

Mr. Singer: Good for the Minister of Housing. He had one programme this afternoon.

Mr. Breithaupt: I am wondering if 1977 will see a continuing decline in this area.

Hon. Mr. Rhodes: Your research is as bad as theirs is; you depend on them. We know about your numbers.

Mr. Singer: Just for Metro.

Hon. Mr. Rhodes: We know about your numbers. We heard them last election.

Mr. Breithaupt: If you will allow me, Mr. Speaker, at this point I would take this opportunity to draw your attention to the fact that a very senior member of our caucus has announced he will not be a candidate in the next general election. He has served the people of Kent and Elgin for 22 years—

Mr. Nixon: Very well.

Mr. Breithaupt: —from the days when a very small opposition—

[Applause]

Mr. Nixon: And he's going to change his mind.

Mr. Breithaupt: Well, Mr. Speaker, he has—

Hon. Mr. Rhodes: Don't go, Jack. Come on back with the other small opposition.

Mr. Nixon: Have to join the Tories to do that.

Mr. Breithaupt: He has served the people of Kent and Elgin for 22 years from the days of a very small opposition, which at that time had the total accommodation in the area which is now known as the west lobby. His counsel and knowledge are matched by only a handful in this House. He is known, of course, to you as the hon. member for Kent-Elgin (Mr. Spence), but to those of us in the Liberal caucus, particularly, he will always be affectionately known as Uncle Jack.

[Applause]

Hon. W. Newman: And over here too.

An hon. member: Clap a little harder and we'll get him back.

Hon. Mr. Rhodes: The hon. member of the drainage committee. That is how I remember him.

Mr. Breithaupt: Mr. Speaker, the membership of this House is currently divided into three parts, each of which represents a certain political party. There is, however, another division of members to which I would refer. There is the first group of 26 members who have been in the House since before 1967. There is a second group of some 19 who are in the class of that year. And finally, there is the group of 80 members who have come here in the years, really, since 1971.

Mr. Nixon: Johnny-come-latelys.

Mr. Breithaupt: The first group has had long and distinguished service dating back to 1948, as I see the dean of the House, the member for Ottawa West (Mr. Morrow) here tonight.

Mr. Nixon: I hear he's announced his retirement for the fifth consecutive time.

Mr. Eaton: He is going to run again.

Hon. Mr. Parrott: And he will win for the sixth.

Mr. Nixon: They can't find another live Tory down there.

Mr. Breithaupt: That's somewhat like Enrico Caruso taking all those farewell tours, year after year. But it's well received, I assure you.

That group numbers among its members, of course, the Premier and former leaders of both the New Democratic Party and of the Liberal Party. It includes many of the members of the cabinet and indeed includes the Speaker of the House. And that group remembers when this chamber was in use for only 10 or 12 weeks in each year in a short spring session. It remembers when being a member of the Ontario Legislature was very much a part-time occupation and a budget of less than \$2 billion was dealt with.

The third group has come here within the last six years. In their interest and activity they represent a growing change in the style of political obligations for members in this province. They come from a much more mobile and demanding Ontario where each election is a new one, and where there are indeed very few safe seats.

Mr. Peterson: I don't trust young people in politics.

Mr. Nixon: Anybody under 40.

Mr. Breithaupt: Those of us, Mr. Speaker, who are in the class of '67, have now completed almost 10 years in this Legislature.

Mr. Nixon: Forty-five?

Mr. Breithaupt: And I believe that this group, of which I'm pleased to be a member, has a great opportunity to encourage the development of the institution as a real Legislature.

Perhaps more than the other two groups we have seen the most change in our years as the operations moved from those of a sort of super county council, to the full-time demands of being a member, active both in the House and its committees, as well as being involved in all sorts of problems and interests of the citizens, the groups, and the municipal bodies which one represents.

The reports of the Camp commission have been before this House and many of the recommendations of the five volumes have been acted upon. Most particularly, I would refer to a major recommendation which has not been accepted as yet. It was stressed by the select committee which was under the effective chairmanship of the dean of the House, the member for Ottawa West, and it was this, referred to on page 3 of their report:

"In the opinion of this committee, responsibility for the legislative building should be transferred to the Speaker. This would avoid the divided jurisdiction that currently creates problems, ensure that the legislative function has primacy in the building, and also ensure that future planning for the building will be carried out adequately, only under the direction of the Speaker. To avoid duplication, the Speaker should contract with the Ministry of Government Services for the operation and maintenance of the building; however, the direction of the building and the well-being of its employees and occupants must be the responsibility of the Speaker."

Mr. Speaker, we have seen many changes of rules, adopted last December, and we are coping with a new committee structure and with a time division for estimates. We have seen the first of the private members' balloted business moved to the committee stage. We also have a new method, through the Speaker's panel, of getting the private bills sorted out and on their way.

But it is with respect to the control of this building that I see the whole thing coming together. If we are really to be a Legislature, then this building must be under the Speaker's control. It must serve the members for office and library needs and it must be separate from the government of the day.

I have often wondered about the provincial government of this Ontario of ours over these past 34 years—

Mr. Conway: You are not alone in that.

Mr. Breithaupt: I have indeed pondered the reasons behind successive Conservative election victories since 1943—

Mr. Nixon: Completely irrational.

Mr. Breithaupt: —and I believe that I have found the secret. The secret came to me early this morning as I was putting out the garbage. I had one rather large blue bag—

Hon. Mr. Rhodes: A collection of old speeches by Stuart.

Mr. Breithaupt: —which was filled with nourishing kitchen scraps, and indeed some contributions from our one-year-old daughter Jennifer Jane, which I will not further describe. There was, secondly, a large white bag that had in it certain government-vended non-refillable and non-returnable bottles. Since I had spent Saturday cleaning up the lawn there were in between 24 green bags full of leaves and twigs and other items

that follow a long winter. It was the 24 bags that suddenly brought it all together.

Mr. Nixon: Poor bags.

Hon. Mr. Rhodes: You should mulch it.

Mr. Breithaupt: Green bags; there they were, dull looking, round and full, mindless and without any comprehension of their world, and they were perfectly interchangeable; and I thought of the present cabinet.

Mr. Nixon: Bette, are you going to stand for that?

Mr. Breithaupt: Mr. Speaker, I thought on one hand of the Premier (Mr. Davis)—

Hon. Mr. Rhodes: You are the poor man's Elmer Sopher.

Mr. Breithaupt: —and on the other hand of the Chairman of Management Board (Mr. Auld), and I thought of the other 24 in between. How are they interchangeable? Well, they seem to be able, easily, to take and give bad advice, and they can certainly be moved around—

Mr. Singer: Interchangeably.

Mr. Breithaupt: —from one position to another, as musical chairs, or shall I say as musical green bags, as the last cabinet shuffle in February shows.

Hon. Mr. Rhodes: I didn't get moved.

Mr. Breithaupt: The member for York East (Mr. Meen) learns more about Ronto than he perhaps wants to know and suddenly is moved from Revenue to Correctional Services.

Mr. Nixon: On his way out.

Mr. Breithaupt: The member for Hamilton Mountain (Mr. J. R. Smith) finds that the lack of Sunday school attendance may not be the only reason for criminal activities and is moved from Correctional Services to Government Services.

Mr. Nixon: Right. Talk about a lateral move.

Hon. J. R. Smith: Don't knock it.

Mr. Breithaupt: The member for St. David (Mrs. Scrivener) looks for more civil servants to holler at and therefore is moved from Government Services to Revenue. Of course, if the Treasurer (Mr. McKeough) gets his way she will also be moved from Toronto to Oshawa, but that is another story.

So we have three interchangeable green bags. But then we have another foursome I should refer to. First of all we have the member for Prince Edward-Lennox (Mr. Taylor), showing his views of human needs and attitudes about welfare assistance were indeed suited to make him a member of the executive council; the only problem was that it was the executive council that advised Sir Francis Bond Head in 1937, to which his views would be more apt than they are in 1977. So he is moved from Community and Social Services to Energy.

Then the member for Don Mills (Mr. Timbrell) is suddenly stunned by the energy mess in Ontario, and the rise of costs and the lack of provincial planning for 34 years, and he is suddenly moved to Health.

The member for Muskoka (Mr. F. S. Miller) has had a hard time closing rural hospitals and trying to come to grips with a monstrous budget that uses a third of our provincial funds so he goes from Health to Natural Resources. And then the member for Kenora (Mr. Bernier).

Mr. Martel: What can be said?

Mr. Nixon: Whatever happened to him?

Mr. Breithaupt: For a man who should daily repent for the sins visited upon the native peoples in the English and Wabigoon River systems of this province he goes to a brand new ball game; he becomes the honorary acting deputy lieutenant governor for northern Ontario. I presume he will go into official residence in Minaki Lodge to bask in the reflected glory of all those millions of misspent tax dollars.

[8:45]

We also have the member for Kingston and the Islands (Mr. Norton), who at least had some kind words of encouragement from us as he took over his portfolio.

Mr. Haggerty: Mr. Gladbag.

Mr. Breithaupt: Indeed, with the added income I trust that he will be able to get, or at least rent, a second pair of shoes while his are being resoled. This will be, for him, a luxury which many of the people of this province on the welfare and assistance schemes he administers cannot presently enjoy.

Hon. Mr. Norton: My staff has already taken care of it actually.

Mr. Breithaupt: Mr. Speaker, there are 24 of them and the cost of all this together with the other two I have mentioned, is \$1,037,500.

Mr. Nixon: What a waste.

Hon. Mr. Welch: Who is that with the glasses on?

Hon. Mr. Rhodes: Who is the masked man?

Mr. Breithaupt: Being a reasonably intelligent person I was able to multiply that out and add in a few items.

Mr. Grossman: Who is that man?

Mr. Breithaupt: We are paying more than a million dollars for the services of this cabinet and yet only six could be here for the start of the question period last Friday.

Mr. Nixon: Shame.

Mr. Singer: Shame.

Mr. Breithaupt: This game of musical chairs, or of musical or otherwise little green bags, has gone on for nearly 34 years in Ontario.

Mr. Nixon: Too long, too long.

Mr. Breithaupt: This is hopefully the last time we will see it.

Mr. Nixon: It's the last.

Mr. Breithaupt: Because more and more of our Ontario residents are seeing through the laudatory articles pumped out by Canadian Press and the other news services.

Mr. Nixon: You are going to be pumped out.

Mr. Breithaupt: More and more are seeing through the big cars and the public relations and the executive assistants that on occasion can make the Minister of Industry and Tourism (Mr. Bennett) seem witty or, indeed, the Minister of Labour (B. Stephenson) appear to really care about injured workers. Indeed, these folk can even make the Minister of Natural Resources (Mr. F. S. Miller) seem serious and the Minister of Transportation and Communications (Mr. Snow) appear to be awake.

Mr. Nixon: Incredible.

Mr. Breithaupt: Well then, why don't we join with the member for Scarborough West, the hon. Leader of the Opposition (Mr. Lewis)—

Mr. Grossman: Go ahead, why don't you?

Mr. Breithaupt: —and his socialist horde and throw the rascals out?

Hon. Mr. Norton: I told you, join with them.

Mr. Breithaupt: There are two reasons and I want to share them with you, Mr. Speaker.

Mr. Eaton: Beat the retreat, beat the retreat.

Mr. Deputy Speaker: Order, please.

Mr. Breithaupt: The first reason is because this last cabinet shuffle, this last dance of the dinosaurs, has not as yet been fully publicized for what it is.

Hon. Mr. Rhodes: Now I know why you have the dark glasses on, Bob.

Mr. Breithaupt: The reason is taken from that violent and stimulating television programme that shows a real slice of the world as it is and describes the hopes and fears and expectations of people in this province—it's a programme called *The Government We Deserve*.

Mr. Nixon: Is that Judy's programme?

Mr. Breithaupt: It's a violent programme, of course, but in Ontario, after 34 years, that government still has a few more weeks, or months perhaps, and the people of the province will deal with it and see whether we really have the government we deserve.

Mr. Nixon: No more time.

Mr. Breithaupt: We will have that government until the people of this province finally see through the years of Conservative mismanagement. It will last until our citizens recognize the staggering deficits which the Davis years have built up in Ontario, which will be the real legacy of the government led by the member for Brampton (Mr. Davis).

Eventually the universe will no doubt unfold as it should, and that government will too be swept away—

Hon. Mr. Snow: Where have we heard that before?

Mr. Breithaupt: —unloved, unmourned and unremembered. Tonight we are another day closer to that eventuality.

Hon. Mr. Rhodes: Here is your chance.

Mr. Breithaupt: The other reason we shall keep this government in power for a few more days at least is because we want to see the budget.

Mr. Grossman: Is that a promise?

Mr. Breithaupt: We want to have on the public record the actual plans—

Hon. W. Newman: Oh, now the truth comes out.

Mr. Nixon: How reasonable can we be?

Mr. Breithaupt: —and the real programmes of this government, and not just hear on the hustings about all the wonderful things they were going to do if they had but had the chance.

The amendment to the resolution before us is there only for political posturing.

Mr. Nixon: Right.

Mr. Breithaupt: The Leader of the Opposition doesn't really want to end this penny war he's got going with the Premier.

Mr. Nixon: He is not even present in the House.

Mr. Breithaupt: As the Leader of the Opposition said last Friday, in his usual flowery way, these little delays and these little moments of controversy will not an election make, you will have to work a lot harder than that.

Mr. Nixon: Is that when they flip-flopped?

Mr. Breithaupt: That was not only good advice from him to the Premier, it is also my advice, and that of my Liberal colleagues, to him tonight.

[Applause]

Mr. Deputy Speaker: The hon. member for Wentworth has the floor.

Mr. Peterson: Give 'em hell, burrhead.

Mr. Deans: That certainly was a crushing speech. It's a pleasure to have an opportunity to speak in this what will likely be the last Throne Speech debate of this particular Parliament.

Mr. Peterson: Are you not feeling well, Ian?

Mr. Gaunt: You are running for mayor this time, are you?

Mr. Deans: I expect that at some point the Liberals will take their courage in their hands and will in fact stand up for something.

Mr. Eakins: Flip-flop Ian.

Interjections.

Mr. Deans: Although, as my leader says, I ought not to count on it, given their past performance.

Mr. Eakins: Tell us why you reversed your vote on Friday.

Mr. Deans: Nevertheless I don't intend to dwell on anything said by the Liberal House leader or on anything said by the Liberal Party. I remember comments made to me in the House some number of years ago by the then Premier John Robarts after a speech I had made, which followed a speech made by the member for Brant-Oxford-Norfolk (Mr. Nixon) when he was the leader of the official opposition in those bad old days. I can remember John Robarts looking at Bob Nixon and then looking at us and saying: "I know where the enemy is." I'm going to tell you, Mr. Speaker, that as I listened to what was being said tonight I want to say to the Tories, they sure still know where the enemy is; it's right over here and don't forget. They're your friends. Cuddle up to them; you need them.

Interjections.

Mr. Martel: Why don't you find another Marvin somewhere?

Mr. Eakins: Where were you Friday?

Hon. Mr. Norton: The socialist hordes.

Mr. Deans: I also want to say to you, Mr. Speaker, that in thinking back on that day, it dawned on me as I looked at the sins of this government and I thought of the way it approached the many problems that confront the people of the province of Ontario, that I know where the blame lies; it lies right over there in the front benches on the other side of this House and the executive council of the province of Ontario, many of whom are missing.

Hon. Mr. Norton: Oh take it easy, Ian, take it easy.

Mr. Peterson: If you don't like them, why did you borrow the Premier's suit for your speech?

Mr. Deans: While I'm on my feet and talking about those who are missing, I think it reflects badly on the Legislature, and certainly badly on the government that they can't muster but a few of their members to listen to the windup debate on the Throne Speech that they all thought was so important.

Mr. Cassidy: That's right.

Hon. Mr. Norton: Such vanity.

Mr. Deans: Last Friday morning I expected that few would be present, because on Fridays, for as long as I've been here, they seem to find other things that are much more important to do than the business of the province of Ontario here in the Legislature.

Mr. Cunningham: They go home on Fridays.

Mr. Deans: But I did expect, having looked back over the years to the days of John Robarts, that they might at least have extended to the speakers this evening the courtesy to attend, even though they weren't interested, as they have never been, in the content or the thrust of what's being said. They might at least have shown an interest in the business of the province of Ontario and come into the Legislature and spent but a few moments learning something about the views of other people, and not sitting simply listening to their own rhetoric, rumbling around in the cabinet rooms and the caucus rooms of the Conservative Party.

Mr. Germa: Arrogance, arrogance.

Hon. Mr. Norton: Such ranting and raving.

Mr. Kerrio: Move the adjournment.

Mr. Martel: With what's his name, the other cabinet player.

Mr. Deans: In any event, the budget comes tomorrow.

Hon. Mr. Norton: Ian, quit the posturing.

Mr. Deans: And as the budget comes tomorrow there will—

Interjections.

Mr. Deans: It's certainly nice to see the Premier (Mr. Davis) again.

As the budget will come tomorrow, I'm sure the government will be able to more clearly define much of what they've said in the Throne Speech. I hope the government will be able to put a little flesh on the bones that were scattered throughout the 60-odd recommendations that were made in the Throne Speech that was read to us not two weeks ago or three weeks ago.

Mr. Nixon: Oh, there won't be time for that.

Mr. Hodgson: Promise?

Mr. Nixon: I hope not.

Mr. Deans: At that time, tomorrow and in the days that follow, we'll respond in a simi-

lar way, with appropriate and constructive suggestions, assuming of course that the Liberals stay with their ill-conceived views and remain the supporters of the government.

Mr. Breithaupt: We are just trying to help you out.

Mr. Deans: In any event, I want to take a moment or two to look at the government, because I wondered a little bit from time to time as to how they might be remembered after the next election. I looked at the cabinet one day last week. I was sitting here watching them—one day when there were more than half a dozen present—and I thought to myself, I wonder just what will be written about them after the next election and they're all gone.

Mr. Grossman: That they won again.

Mr. Deans: I looked at the Minister of Transportation and Communications (Mr. Snow) and I can see it now: "Here lies Jim Snow, Greyhound and Gray Coach". Or here's the provincial Treasurer, may he rest in peace. He had the opportunity to develop a land-use policy for the province of Ontario for 10 long years—

Mr. Nixon: He's down at the Albany Club.

Mr. Deans: —but every time he had the opportunity, he reneged until he finally dismantled the entire planning branch of the ministry to ensure there would never be a land-use policy in Ontario.

Or the Minister of the Environment (Mr. Kerr). You can see him now—he's famous, world-famous, for Reed and Dow Chemical.

Or the Minister of Housing, famous in another portfolio for Krauss-Maffei, and famous in the one he's in for dismantling it.

Or the Minister of Labour (B. Stephenson). And I thought a lot about the Ministry of Labour.

Mr. Nixon: Grand girl.

Mr. Conway: Lovely girl. Lovely girl.

Mr. Deans: I heard my colleague from Hamilton East (Mr. Mackenzie)—

Mr. Nixon: If she had played her cards right, she could have been a Liberal.

Mr. Deans: —talking about the Ministry of Labour this afternoon and I thought to myself, now there was an opportunity, if ever there was one, for a minister to show what she was made of.

Mr. Nixon: Whatever happened to her?

Mr. Deans: We could have seen other initiatives in the area of good faith bargaining that would have brought to finality some of the difficulties that confront many people in the province of Ontario, but we didn't. We might have seen some honest worker protection in the province of Ontario, but we don't have it. We might even have seen a manpower policy in her capacity as the minister in charge of manpower, which she took over from the previous minister, which was taken over from the late—not late in the sense that he's now gone completely but—

Mr. Nixon: But not lamented.

Mr. Deans: —late in the sense from the Legislature, the hon. member who was previously from Hamilton West, Jack McNie, who undertook the job of manpower policy. I remember—the Premier will be interested —Jack McNie telling me something as we were standing at a party. I said, "Jack, tell me the truth, what do you do?" He said, "Ian, I don't know." I said, "Jack, have you got a policy at all?" He said, "Ian, I haven't." I said, "Well, what in heaven's name is your function?" He said, "I'm still waiting to hear."

Mr. Nixon: He is not here to defend himself.

Mr. Deans: Then he announced his retirement.

Mr. Lewis: Well, why do you think he's recounting the conversation?

Mr. Nixon: Precisely.

Mr. Deans: Or we could look at the Minister of Consumer and Commercial Relations (Mr. Handleman), a fine fellow—the most anti-consumer individual I've ever met. In fact, I'm surprised he's still here because I distinctly recall—

Mr. Nixon: He's not here. He heard you were speaking.

Mr. Deans: —he said he was going to resign if rent controls were continued in the province of Ontario.

Mr. Mancini: Let him resign.

Mr. Deans: I wonder why he hasn't resigned yet? One would have thought that he might at least have lived up to that commitment if no other.

Mr. Conway: He read your speech on the EMO.

Mr. Deans: Or maybe we could consider the hon. Minister of Industry and Tourism (Mr. Bennett)—he'll go down in history. It will go opposite his name, Minaki Lodge. Was it \$9 million or was it \$20 million?

Mr. Eakins: Tell us about EMO.

An hon. member. Twenty-six million dollars.

Mr. Deans: Or maybe even more.

Perhaps the previous Minister of Energy—now the Minister of Health (Mr. Timbrell)—who refused in the face of mounting costs, or the problems being confronted by those on fixed incomes, whether aged or infirm—

Mr. Nixon: Here he comes. The next leader of the Tory party. Here he is.

Mr. Deans: —to take any steps to relieve the burden of mounting hydro costs.

Hon. Mr. Timbrell: Nonsense.

Mr. Deans: Famous for saying “nonsense” to the people of the province of Ontario.

Hon. Mr. Timbrell: No, just to you.

Mr. Deans: How about the current Minister of Natural Resources (Mr. F. S. Miller) in his previous capacity—

Mr. Nixon: Oh, let's stick with Dennis.

Mr. Eakins: Yes. Let's have more on Dennis.

Mr. Deans: —as the Minister of Health?

Mr. Eakins: Tell us more.

Mr. Deans: When they write about him, they're going to write about him in the terms that he was the man who decided to close hospitals, and he can't even plant trees in his new portfolio.

One wonders about the competence of these people. The previous Minister of Community and Social Services (Mr. Taylor)—like a bull in a china shop. He starts out screaming and ranting and raving about the cuts he's going to make. He scares the people in the social services field half to death. He doesn't care whether the Children's Aid Societies are adequately funded or not. He cares not one whit about the incomes of people on low incomes. He doesn't provide any form of assistance for them in spite of mounting costs and then they move him.

Mr. Eakins: Is that you, Jim? I can't believe it.

Mr. Deans: And then my colleague, the House leader for the Liberal Party, made mention of the member for Hamilton Mountain (Mr. J. R. Smith). I don't remember him for quite the same thing. My recollection is much kinder than that. All I can think about is that he's the minister who had to have his speeches vetted by the Premier's office.

Mr. Eakins: Is he teaching you in Sunday school, Ian?

Mr. Deans: And then we have the Solicitor General who stands in his place and defends a policy which says that the police should police the police—that there ought not to be, or certainly there is no initiative to undertake, the placing of citizens—

Hon. Mr. MacBeth: Just defending the Ombudsman. Exactly what he recommended.
[9:00]

Mr. Deans: —the placing of citizens on the boards of police commissions in order to ensure there is adequate protection, and that the investigations that have to be conducted from time to time are conducted impartially and with an understanding of the needs of the community. When one looks at them—I'll talk to the Premier in a moment—when one looks at them one by one, and the things that they're famous for, one has to ask oneself how it is that the Tories can stand on the hustings of the province of Ontario and talk about their competence and ability to manage and the feeling they have for the people of the province of Ontario and their understanding of the province's problems. One has to ask oneself whether people who have those kinds of things written against their names can honestly say they understand one whit about the needs of the people who are supposedly under their jurisdiction.

Hon. Mr. Norton: The finest and most creative opposition I have heard yet.

Mr. Deans: I'm going to tell the House that there are many tens of thousands of people across this province who, if asked, would tell us today that they don't have confidence in it because they have watched it operate. They've watched this government bungle one issue after another. They've watched this government which didn't tell them, in 1975 when they were electioneering, about all the things they intended to do to them; they've watched this government which, in spite of mounting unemployment, in spite of housing shortages, in spite of all kinds of economic and social problems across this

province, has failed to respond adequately, or even respond at all, to the majority.

I'm going to tell the House that if one could look outside that select little group which forms the cabinet and see, in the back benches of the government, people who could fill their shoes, then one might have some hope for the future. But the truth of the matter is that, at this point, the people at the back are more tired than the ones at the front, which makes for a very difficult situation when the public of Ontario have to find someone suitable and adequate to deal with the problems that are mounting; the problems that this government—

Hon. Mr. Davis: I don't want to interrupt, but don't look behind you.

Mr. Deans: —ought to have been able to solve; the problems that have been brought about by the mismanagement of this government; the problems that have been brought about over 34 years of Conservative rule. It must be hard to be the Premier of the province of Ontario in the Conservative Party at the moment because, unlike other Premiers and Prime Ministers and leaders in other countries and other jurisdictions, he can't even blame anybody else for the misfortunes that are befalling the people of the province of Ontario. They've been brought about, one after the other, by mismanagement of Conservatives, one government after another for 34 consecutive years. It's hard to believe. It's hard to believe after 34 years of Conservative rule that an economy, so strong, based on natural resources, with an industrious and highly-skilled work force, could be so mismanaged that in 1977 we have a \$2 billion deficit;—

Hon. W. Newman: And you want to increase it.

Mr. Deans: —so mismanaged that we have 330,000 people unemployed in 1977; so mismanaged that we have an energetic, hard-working citizenry unable in 1977 to purchase a home of their own at a price they can afford. It's hard to believe that after 34 years of consecutive government by the Conservative Party in the province of Ontario that we would have a policy that didn't even recognize the need to develop secondary and tertiary industry for the benefits that would flow from it in northern and southern Ontario. It's hard to believe that after 34 years in office and numerous warnings—

Mr. Nixon: Tom Kennedy, where are you when we need you?

Hon. Mr. Davis: Looking down.

Mr. Deans: —given to you by all kinds of people ranging from people in this House, through all of the economic experts, through anyone you care to talk to, that we could be in the year 1977, knowing what we knew 10 years ago, and still have no manpower policy to deal with the unemployment that confronts so many people; a policy with no clear—

Mr. Nixon: It's incredible.

Mr. Deans: —and concise directions, either for retraining or for the evaluation of job opportunities. And to think the government has spent 34 years—and the Premier says to me that he's going to go to the people. I'm going to tell him, he's going to go to the people—

Hon. Mr. Davis: I haven't said that.

Mr. Deans: —but when he goes to the people, he's going to have to explain to them how it could be—in recognition of all the problems that have confronted Ontario under his administration and under the administration of his predecessors—that he was unable to come up with answers to the most fundamental problems confronting the majority of people. It's hard to believe that we wouldn't have developed methods to ease the burden of property tax after 34 years of Tory rule in Ontario. It's hard for me to understand, in spite of the best efforts of many of my colleagues and many other people outside in society, how we wouldn't have an energy policy in place by now.

Hon. B. Stephenson: Everything's hard for you to understand, Ian.

Mr. Deans: It's not only the existing energy sources, although that would be easy, but that co-ordinates all the new energy sources that have been brought to the government's attention, that shows the kind of initiative that takes grasp of the potential and develops for the people of the province of Ontario an energy policy that one could be proud to call something that will meet the needs of the future.

Mr. Nixon: How about windmills?

Mr. Deans: Now, the Premier might say to me, "Well, it is too difficult." And it is too difficult for a Tory government, because they are traditional. Because everything they do is based on what's been done by somebody else some place else. There is absolutely nothing innovative about one single cabinet minister or about the government as a whole.

It is hard to understand how it could be, after 34 years in the province of Ontario under a Conservative administration, that we would still be debating the need to have adequate worker protection in the work place. It is hard to understand how it could be that people are still rising in their place and raising with the various ministries and the various ministers the problems that are confronting workers as they go to work in an attempt to earn a living to provide for their families and they find themselves working in conditions that are intolerable and unsafe and this government, no matter how hard it tries, can't write legislation to protect them that can be understood by the people over whom it has jurisdiction.

It is difficult for me in 1977 to think that a government after 34 years could bring in a Throne Speech with an excess of 60 identifiable items needing to be resolved and how it could be proud of the fact that in the year 1977, 34 years later, there were still in excess of 60 items that the government hadn't been able to deal with.

Mr. Nixon: You started out with 22.

Mr. Deans: I say to you that I don't know how the Premier could be proud to be able to identify 60 things in the province of Ontario that after 34 years he and his government and the governments that preceded him, all Conservative, hadn't been able to come to grips with.

Hon. Mr. Davis: I can think of several more we would like to add yet.

Mr. Deans: We are going to think of several more. I want to suggest to the Premier we are going to have several more. Do you know what it speaks to, Mr. Speaker—the fact that this government could find in excess of 60 items, and, as the Premier says, several more that are needing to be done, desperately needing answers to be found for them in the province of Ontario?

Hon. Mr. Davis: You used the word “desperate.” I didn't use the word “desperate.”

Mr. Speaker: Order please. Order.

Mr. Deans: It speaks to the inadequacy of this government for 34 years. It speaks to the inability of the Bill Davis regime for the last six or seven years. It speaks to the lack of sensitivity of the regime that preceded him. It talks directly to the inability of the Conservative Party in the province of Ontario to be able not only to understand what the

problems are, which I doubt very much, but to formulate policies to react to the problems and to solve them in a way that would make sense.

I suggest to you, Mr. Speaker, that what we are really speaking about isn't whether the Davis government should be able to continue in office, it's whether the Conservative Party hasn't abdicated its responsibility to the public of Ontario and whether or not we should be looking to see whether there is some way that they can be removed from politics altogether, because they are corrupt in the sense that they have—

Hon. B. Stephenson: Shame.

Hon. Mr. Meen: Shame.

Mr. Deans: —not sat down and dealt with problems of the people that they were responsible for.

[Applause]

Mr. Speaker: Order, please. I remind the hon. member that that is quite unparliamentary to accuse the government of being corrupt or anyone else—order, please—individually or collectively. I know you explained it, but would you please refrain from using such language?

Interjections.

Mr. Deans: I didn't plan to use it again anyway so that's fine.

An hon. member: He just got carried away.

An hon. member: He should be named.

An hon. member: They are bankrupt.

Mr. Deans: I want to suggest—oh, no, they are not bankrupt. Bankrupt is another thing. We are bankrupt; they caused it.

I want to suggest to you, Mr. Speaker, that it is difficult to imagine in 1977, after 34 years of Conservative government rule, that northern Ontario doesn't yet have the kind of equalization of opportunity and cost that they have been asking for, pointing out was necessary, working towards achieving. They have sent representation after representation. They have sent representative after representative from the north to Queen's Park to bring to the government's attention that there are inequities in northern Ontario over and against southern Ontario that ought to be corrected and must be corrected. This government has failed at every single turn to come to grips with these problems. This government turns around and instead of putting policy in place, it moves a tired minister to something called

a new ministry for political purposes and no other reason.

Mr. Nixon: Nothing else.

Mr. Deans: I want to tell you more.

Hon. Mr. Davis: Are you going to vote against the bill?

Mr. Martel: Bring the bill in.

Mr. Deans: Over those selfsame 34 years, the same kind of representation has been made to this government by numerous people from eastern Ontario and the same result has come forth: There has been absolute neglect on the part of the government in terms of trying to bring about policy that would resolve the difficulties that those people face.

When one looks at northern Ontario and at eastern Ontario, when one considers the inadequacies of the ministers, and when one looks at all 60 items that this government now feels it ought to do, I can't help feeling that that alone, if nothing else, would be sufficient to vote no confidence. But there's more. That only speaks to the 34 years the Tories have been in; it doesn't even begin to talk directly to the problems that confront us as the result of the administration of Bill Davis and his government.

Does the Premier know that 15 years ago it was possible for the average wage earner on a single wage in the province of Ontario to purchase a home of his own? Does he know that today, in 1977, not only is that not possible, it isn't even a dream of the average wage earner on a single wage. That's not progress, and that happened in 15 years under Tory governments. That happened in spite of the fact that there were numerous representations made to this government over those 15 years, pointing out the difficulties and suggesting methods of resolving them. This government, because it's in bed with the majority of developers, because it doesn't give a damn for the majority of wage earners, couldn't bring itself to initiate policies that would begin to speak to that particular problem.

For 15 years the government has had warning after warning of the profiteering and exorbitant price-costing that has been looming across the province of Ontario. What has the government done about it? Nothing. For 15 years it has had suggestion after suggestion of means to deal with increasing costs to consumers in the province of Ontario, but there hasn't been a single policy initiative by this government to resolve that.

For at least 15 years it has been brought to the governments attention that the econo-

mic future of this province, lay almost entirely in our capacity to harness the natural resource potential of the province for the purpose of developing secondary and tertiary industry. For 15 years the government has had brought to its attention that if we were ever going to survive in the world marketplace, we had to be able to take advantage of the natural resources that we had that belong to all of the people of this province; we had to put an end to the taking of those resources out of this province in an unprocessed and semi-processed state. We said that if we were ever going to have economic stability in this province it could be developed only if we were to use those resources as the catalyst for the secondary and tertiary development. I tell you right now, Mr. Speaker, that has never sunk into the heads of the Conservative Party or the government of the province.

It is interesting to see what has happened since 1967 which is the year when I was first elected to the Legislature. In 1967 the budget of the province was \$2.2 billion. From then to now, only 10 years later, the budget has gone up to \$12.6 billion. I remember the campaign of 1971 and how we set out a programme for housing; how we set out a programme that would provide income stability; how we set out a programme for the preservation of land—

Mr. Nixon: How did they ever turn you down?

Mr. Deans: And the government costed it. In those days the government's budget was just over \$5 billion, and the answer was it would bankrupt the province of Ontario. Isn't it funny how, in the intervening period of time, the government has been able to increase its expenditures from that \$5 billion to more than \$12 billion with a \$2-billion deficit? The problems that we spoke of in 1971—the lack of adequate housing, the need for a farm income policy, the need for a land-use policy, the need for protection for low-income earners—are still there in exactly the same way that they were there in 1971. The government didn't do a single thing to resolve them, and during that period of time it still allowed the budget of the province to go up by \$7 billion.

[9:15]

What did the government do with all the money? Take a look at the wages of the people of the province of Ontario. Is the Premier going to suggest to me that the earning capacity of the people in the province of Ontario kept pace with the expenditures of this government? Is he going to suggest to me,

Mr. Speaker, that anywhere out there among the average working people of this province there are people who are now earning six times what they were earning in 1967? Is he suggesting to me that the people of the province of Ontario can afford to have the government spending at the level that it is currently spending?

I just think, as my colleague says and as was said by others, that maybe the people of the province of Ontario don't realize yet just how mismanaged the economy of this province has been. Maybe they don't yet understand just how badly this government has handled the fiscal affairs of the province of Ontario. Maybe they don't yet understand just how inadequately this government has responded to the social problems of the province of Ontario. Maybe they haven't yet been told clearly enough just how inadequately this government has responded to the housing needs and all of the other needs I have spoken about.

I want to tell you, Mr. Speaker, I'm going to do what I can to make sure that they hear that message, because that's the message the next election will be fought on. It's not going to be fought on some pie-in-the-sky thing dreamed up by the Premier. It's going to be fought on the record of the Tory party for 34 years.

Mr. Warner: Why doesn't the government just resign?

Mr. Deans: We have watched the government over the last 10 years, part of which is the direct responsibility of the current Premier who has been unable to recognize that during times of heavy private sector spending the government ought to be holding back on its expenditures.

I believe in counter-cyclical budgeting. I've always believed in that. In answer to what the Treasurer threw across the House one day a couple of weeks ago, I've always believed that the role of government was to allow the private sector to spend in times when the private sector was booming. I've also always believed that the responsibility of the government was to ensure the credit rating of the province and to ensure that there was money available for times such as these so that we can engage in the kind of expenditures that have to be undertaken in order to ensure that the peaks and the valleys of the economy, which flow naturally from the private sector development and economic programmes, are smoothed out; so that the people of the prov-

ince benefit in a more stable way and so that they may look forward to a more reasonable degree of stability in their income and their economic well-being.

I suggest to the government that that was a responsibility it had and that the opportunities throughout the Fifties and Sixties were legion to undertake that kind of programming, that kind of fiscal responsibility and that kind of economic management. I tell you, Mr. Speaker, that this government has failed on those counts. This government has never managed this economy from one day to the next. This government doesn't believe in management; this government hopes that the economy will be sufficiently strong to withstand their bungling. It hasn't been, and that's unfortunate for the majority of the people in the province of Ontario.

During my time in the Legislature, I can distinctly recall my colleague from Windsor-Riverside (Mr. Burr) raising with the government all kinds of alternative energy sources that might be reviewed and looked into for a new energy policy. I can distinctly remember my colleagues from Sudbury, Sudbury East, Nickel Belt, Port Arthur and others, raising with the government the problems of northern Ontario and placing before it policy initiatives that would have helped to resolve those problems. I can distinctly remember my colleague from York South (Mr. MacDonald) on numerous occasions placing before the government farm income policies, food pricing policies and land-use policies; and the government rejected every single one.

I can remember my colleagues from Riverdale (Mr. Renwick) and Lakeshore (Mr. Lawlor) raising in the Legislature the need for tenant protection. Where is it? Where is the standard lease form we were promised 10 years ago? Where is the protection for the tenants in the province of Ontario, in spite of the learned observations and the efforts of my colleagues from Lakeshore and Riverdale? I remember my colleague from Yorkview, for at least the period of time that I've been in the Legislature—

Mr. Breithaupt: He is a new boy.

Mr. Deans: —raising with the government the difficulties that confront people in automobile safety and the problems of the need for auto insurance protection in the province of Ontario. What does the government do? Absolutely nothing.

I personally raised on numerous occasions over the 10-year period, and particularly four

or five years ago, the urgent need to develop a manpower policy in the province of Ontario. Nothing's forthcoming.

I remember my colleague from Ottawa Centre talking to the government week after week about the need for property tax reform in order to ease the burden of property tax on middle- and low-income people, on people who are on fixed incomes. Does the government move? No, it doesn't.

I can remember the housing policy initiatives, the review board for price initiatives, the statements here by my colleague from Beaches-Woodbine on the need for action on interest rates to try to stabilize the cost factors that confront the majority of people. I've heard my colleague from High Park talk about the need for action in the field of small business to ensure an adequate opportunity for people in the small business field; and my colleague from Port Arthur, who acted as the education critic, expressing the frustration of teachers and parents and expressing the frustration of taxpayers over the high burden of cost that must befall those who have to pay the cost of education in the municipalities.

I could go on and on. There are so many different areas where policy initiatives have been placed before this government over the last 10 years and they've been neglected, and they've been neglected to the detriment of the people of the province of Ontario.

Mr. Speaker, lest you think that I'm perhaps exaggerating ever so slightly—I'm sure you wouldn't think that of me in any event—let me just read to you what we said to the government in 1968 in the Throne Speech amendment, which shows a certain amount of clairvoyance, I suppose, in some way, about the way the economy was going. Let me read it. Mr. MacDonald moved the amendment and it goes as follows: "This House further regrets the government's continued refusal to assist the Ontario people in coping with soaring costs of living, and specifically its failure to keep exorbitant price increases in check through the public mechanism of a prices review board; to raise northern family incomes by promoting economic development and to eliminate gross disparity between those prices charged for consumer products in the north and those in the rest of the province; to reduce the high cost and eliminate the other inequities of automobile insurance; to protect tenants from exorbitant rent increases; to increase the minimum wage; to adopt measures essential to closing the gap between the demand and supply for low-cost housing in Ontario; and to reduce the oppressive burden of the property tax."

Mr. Nixon: All good stuff.

Mr. Deans: I suggest that in 1968 we were saying these were the problems that the people of the province of Ontario are facing, and I suggest that in 1977 these are the same identical problems that the people are facing and this government under Premier Davis has done nothing to stop them.

Mr. Martel: Put Leo Bernier in a new portfolio.

Mr. Deans: I go on. In 1969 we were asking them to affirm housing as a basic right. We were asking them to solve the problems in the tax system. In 1971, we were telling them that a house-building programme was essential, that municipal works acceleration was required, that a commitment to long-term full employment had to be made, and on and on.

Year after year, at least during my time here, we've been telling them that these are the problems that the people of Ontario are facing and are about to face and the government should have policy initiatives in place to resolve them. And year after year they brought in Throne Speeches not worth the paper they were written on, with promises that were never lived up to. They brought in Throne Speeches that didn't address themselves to the problems that the people of Ontario were facing. Year after year we came back and we suggested new initiatives, different initiatives, pointed out the areas of greatest concern; and year after year this Conservative government of William Davis and those who preceded him have failed to come to grips with what it is that confronts the majority of average- and low-income earners in the province of Ontario.

Mr. Lewis: This year's Throne Speech identified the problems.

Mr. Deans: This year, as my leader says, the Throne Speech identified the problems—10 years after the problems were first identified. If they had taken the initiative during that 10-year period we wouldn't be faced with the kind of economic stagnation that we're faced with; we wouldn't have people who can't afford to buy houses in the province of Ontario; we wouldn't be faced with the difficulties that are currently confronting the majority of people.

Hon. B. Stephenson: Absolute balderdash.

Mr. Deans: I suggest they were derelict in their duty over those 10 years and they have no answer for it now.

In addition to that I want to suggest also to you, Mr. Speaker, that you can't separate the benefits that flow from public spending over private spending if it is either in capital expenditure or in income maintenance. I don't know how the Treasurer and the Premier and others are able to draw a distinction in terms of the benefit that flows from the building of a building, whether it be public or private, because the cement, the wood, the steel and everything that goes into the building comes from the private sector. Every single industry related to the construction industry in the province of Ontario benefits from it; the workers who build the building are exactly the same workers; and for someone to suddenly say that there is a distinction to be drawn, they just don't understand the processes that are gone through.

I can't believe for a moment that you believe it, Mr. Speaker. I don't believe that you think that somehow or other there is something magical about some private developer building a building, or the government building a building, in terms of the economic benefits that flow to those people directly related to the construction industry.

I suggest to the government that if there are projects throughout the province of Ontario that are valuable and should be proceeded with sometime in the next two or three years that this is the time to commence. The need is greatest now. The benefits that will flow will in any event be flowing to the private industry which the government is so careful to protect. So therefore if the government members can draw themselves away from their dogma, and if they can see that they have a responsibility to the public of the province of Ontario in both private and public sectors, for heaven's sake show some initiative.

I also suggest to the government that at a time when we should be looking carefully, there are benefits which flow from investment in the private sector, that that investment brings about profits, those profits bring about taxes, and we would benefit in terms of the cash flow of the province of Ontario and the tax dollars that are raised, both in terms of those who are working and in terms of those who manufacture the products to be used.

But the government's answer to tax relief is \$160 million in rebates for production machinery. I have said a lot about rebates for production machinery, and I want to just quickly go through what I think about them. I don't think there is any reasonable, sensible person, who believes for one minute that the

putting in place of new production machinery can do other than eliminate jobs. I don't think there is anyone who believes it.

We are operating in the province of Ontario at considerably below productive capacity now with the machinery that is currently in place. To replace that machinery with new machinery that is more automated, that can produce at a far greater rate, when the marketplace can't consume it, when there is no need for it, and to lay claim that what the government suggests is a fact, that this somehow or other creates employment in the province of Ontario—

Hon. Mr. McKeough: You just don't understand.

Interjections.

Mr. Speaker: Order please.

Mr. Deans: —is wrong—

Interjections.

Mr. Speaker: Order please!

Mr. Deans: —and I suggest to you, Mr. Speaker—

Mr. Martel: There are 316,000 people unemployed.

Mr. Speaker: Order. May I point out that the hon. member for Wentworth is the only one who has the floor. That goes for people on all sides.

Mr. Kerrio: Point that out to the Treasurer.

Mr. Speaker: Order please. I am pointing it out to everyone. The hon. member for Wentworth will continue.

Mr. Kerrio: Explain it to the Treasurer.

Mr. Deans: And all I can tell you, Mr. Speaker, is that the sad part of it is that we have a Treasurer in the province of Ontario who just doesn't understand.

Mr. Nixon: And never has.

Mr. Conway: That will make him Premier.

Mr. Cunningham: And never will.

Hon. Mr. McKeough: Karl Marx would be proud of you.

Interjections.

Mr. Speaker: Order, please.

Mr. Lewis: And what about Harpo and Groucho and all the others? How would they feel at a time like this?

Mr. Breithaupt: Don't forget Zeppo.

An hon. member: And Gummo. He is always the one who is left out.

An hon. member: Don't forget Gummo!

Mr. Lewis: What an odd voice. Is there no end to the Treasurer's silliness?

Mr. Speaker: Order, please; the hon. member for Wentworth.

Mr. Deans: I want also to say to you, Mr. Speaker, that while the Treasurer talks of my not understanding, there is one thing I do understand. I understand that there are already sufficient write-off provisions in the income tax and corporate tax Acts to allow the very companies which are getting the remission of the \$160 million to write off those costs now. And for the Treasurer to take \$160 million of the taxpayers' money in the province of Ontario, which could be used directly to stimulate the market, which could be used to create jobs that are much needed and to give it to people who already can benefit now from the tax write-off provisions is wrong. It is an abdication of his responsibility. When he shakes his head in the affirmative, I can only assume, as he says himself, he just doesn't understand.

[9:30]

In any event, the government of the province of Ontario has been faced over the years with a number of problems and one of them was the request for processing in the north. I can remember the great debate that went on in the Legislature about how we were going to have more processing done in the north. But the legislation and the initiatives were so fraught with loopholes and exemptions that there is, I suspect, less processing in northern Ontario today than there ever was.

That's where the problem lies. In spite of what it might claim it is going to do, there is so little monitoring that the government doesn't bring in programmes that meet the need.

Mr. Martel: How many exemptions were issued this year?

Mr. Deans: In the province of Ontario, Mr. Speaker, when you need nursing homes you get, as my colleague from Cambridge said, fancy jails. When you need rental accommodation, you get a \$1.8 million a year expenditure by the Ministry of Housing—that's maximum—which doesn't flow to the need itself. When you recognize that the government programme has been in effect now for, I suspect, 10 years and that during that

10-year period it has had limited success, it is ludicrous for this government to think that the infusion of \$600 per unit to a programme which even to this point doesn't begin to speak to the needs of the province of Ontario will do, or to think that that answers the low-rental and rental-accommodation problems that confront everyone across the province.

We need middle-income housing. We get the abandonment by the Ministry of Housing of the only programme that provided anything resembling middle-income housing.

We need property tax relief. We get corporate tax relief.

We need employment policies. We get a whole range of empty promises, from summer jobs for students that will never materialize because they never have, to no jobs at all and no concern shown by the government.

We need long- and short-range planning and this government doesn't seem capable of undertaking that kind of planning because their record over 34 years shows that there has been a steady deterioration of the capacity of the government to govern since it took office 34 years ago.

Mr. Conway: We have Wintario and the new jail.

Mr. Deans: We have had 34 years of out-of-date, inadequate non-policies, and we need a change.

Mr. Laughren: And they have the member for London North (Mr. Shore).

Mr. Deans: I want to suggest to you, Mr. Speaker, that minority government in the province of Ontario has worked. It has worked because those of us on this side of the House have bent over backwards to make it work. We have done everything in our power to accommodate the government in trying to resolve what it saw as the difficulties that it had as the government of Ontario.

We have on numerous occasions softened our position in an effort to try to bring about a policy which might turn out to be better than the non-policy that was there before. But I want you to understand, Mr. Speaker, that the role of the opposition is not that of shoring up the government. The role of the opposition is surely that of providing the government with the kind of constructive criticism that this opposition party has provided that government with over the last one and a half to two years. I want to tell you there have been times when we have moved so far in our attempts to accom-

moderate this government that it's almost been embarrassing.

Mr. Conway: Friday morning was a good place to start.

Mr. Deans: But we are prepared to accommodate the government further. If it can change tomorrow, if it can bring in policies tomorrow that will somehow or other speak directly to the problems of unemployment, if it can bring in policies that speak directly to the housing need, if it can bring in policies that speak directly to the iniquitous tax burden carried by the majority of middle- and low-income people, if it can speak directly in its budget to the problems of safety in the work place, then I suppose—

Mr. Eakins: Have you changed your minds again?

Mr. Deans: —with the Liberal support and with our constructive suggestions this government could go on for some long period of time even yet.

Mr. Cassidy: God save us!

Interjection.

Mr. Lewis: Why are you the only one applauding?

Mr. Deans: I want to tell the Premier that if it is his wish to have an election, I want to assure him that all of the things that I feel about the inadequacies of this government will be told to anyone who will listen. I am going to point out, to the best of my ability, how for 34 years this government has failed to produce policies—

Mr. Martel: Has the government got another \$5 million in the slush fund?

Mr. Deputy Speaker: Let's have some order.

Mr. Deans: —and this government has been primarily responsible for the decrease in employment opportunities, for the inability of people to buy houses and for the tax burden they must carry. This government is over-expended and overborrowed and ought not to be governing the province of Ontario; and for that reason my leader moved an amendment, which I shall not read but which is on the record now. I want to suggest to the Premier that it would serve the people of the province of Ontario far better if the Premier and his cabinet showed some of the goodwill that we have shown in making minority government work and accepted the amendment.

Mr. Grossman: But not an election.

Interjections.

Mr. Deputy Speaker: The hon. member for Brampton has the floor.

Mr. Conway: The ranks are thin.

Mr. Warner: Spare us the whole thing and tell us you will resign right now.

Mr. Deputy Speaker: Will the member for Scarborough-Ellesmere come to order?

An hon. member: And, you might add, grow up.

Hon. Mr. Davis: I really won't comment on the constructive suggestion from the member for Scarborough-Ellesmere, Mr. Speaker. I think I heard what he suggested. I really haven't had an opportunity yet tonight to visit the Lieutenant Governor, although after listening to the contribution from the House leader of the New Democratic Party, I really feel I should rush down immediately to have a visit with her.

Interjections.

Hon. Mr. Rhodes: Ah, shut up.

Hon. Mr. Davis: I listened carefully to the member for Kitchener; believe it or not, I really did. I didn't start listening until he reached that part of his address where he was in eastern Ontario, which is sort of a good place for the hon. member to be.

Mr. Nixon: What do you mean by that?

Hon. Mr. Davis: Well, it's a good place for him to be.

Mr. Nixon: Sounds pejorative.

Mr. Conway: The Lutherans of Pembroke invite you any time.

Hon. Mr. Davis: I can only say to the former leader of the Liberal Party—

Mr. Deputy Speaker: Will the members for Brant-Oxford-Norfolk and Renfrew North remain silent?

Hon. Mr. Davis: I really have to start out my brief remarks, Mr. Speaker, by complimenting you, sir, on the way you keep everybody in this House in proper order most of the time.

Tonight it's a privilege for me to summarize the arguments put forward by members of our government in support of the Throne Speech and in response to the no-

confidence motion that has been ritualistically advanced by the Leader of the Opposition. Tomorrow, should the government survive the no-confidence motion tonight, the Treasurer will present to this House a budget which is really the second part of this government's programme for 1977.

An hon. member: Disaster.

Hon. Mr. Davis: I'm sure that the Treasurer will find every opportunity in his remarks to be non-provocative and restrained; but, in the event that he should not, I thought that in the interest of balance and decency, I might go out of my way to be non-provocative and restrained tonight, as suggested by the member for Riverdale. Mind you, Mr. Speaker, it would not be totally frank of me to suggest that it is easy for me to be non-provocative. In listening to and reading through the comments made by both the Leader of the Opposition and the leader of the third party in this House, there is a fair amount that one could choose to be provocative about, I guess, without being at all partisan.

I wonder if I might begin tonight, Mr. Speaker, before dealing with the direction and the thrust of the Throne Speech, to respond in some brief fashion to some of the suggestions advanced by our two opposition leaders. I wonder if I might begin with the good and hon. member for Hamilton West and the leader of the third party. I don't intend to reorganize his front benches tonight because, unlike our party here, there's ample talent to reorganize it in any way that I might see fit. Those people are rather totally restricted.

Mr. Breithaupt: That went over like a lead balloon.

Hon. Mr. Davis: I have to say that in many respects his response to the Speech from the Throne—

Mr. Reid: You had better wake your colleagues up so they can get these lines.

Hon. Mr. Davis:—was indeed thoughtful and well-considered.

Mr. Reid: They don't even understand what you're saying.

Hon. Mr. Davis: Now, taking the good news first: I want, on behalf of the government to express my own sincere thanks—

An hon. member: Where did you come from?

Mr. S. Smith: In the chamber. He wasn't here for my last speech.

Hon. Mr. Davis:—for the comments he made with respect to minority rights. We have not always agreed on the propriety of minority rights responses on the part of our government, and particularly our response to the challenge of providing French language services in Ontario. I sense—and I may be wrong in this—that in many respects there has been some lessening of partisan division on this issue—between the leader of the third party and myself. And in that, I think he is making an important admission about Liberal policy to this point; even more importantly, a statement of faith about the type of commitment he wants us to make in the future.

I'm not even offended by the desire of the member for Hamilton West to take credit for all of the innovations and programmes in the Throne Speech. The leader of the Liberal Party is prone to associating himself with great people and with great ideas—albeit after the fact. He has taken, I am told, to comparing himself with the Rt. Hon. John Roberts, former Premier of this province and a distinguished member of this Legislature for many years.

Hon. J. R. Smith: Never.

Mr. Nixon: We haven't had a balanced budget since he left.

Hon. Mr. Davis: I don't know what John Roberts ever did to him to deserve this. However, I'm sure that Mr. Roberts, being the kind of man he is, Mr. Speaker, is at least a little flattered. There are some who would suggest—and I would not go on the record as suggesting that I might be one of them—that other considerations might have influenced their general support for our programme; but that would be really very unfair and I have never wanted, in this House, to make any suggestion that could be construed as being unfair.

Mr. Nixon: You never even say anything.

Mr. Singer: Perish the thought.

Hon. Mr. Davis: Despite the new-found interest which the government appears to be garnering from the Liberal caucus, the address made in response to the Speech from the Throne by the leader still indicates that they are caught up—and I guess we should have anticipated this—in some of the bitter, self-defeating circular argumentation which so expertly destroyed their 1975 election campaign

and which still hangs around as a cloud over their caucus.

Mr. Ruston: That cloud's clearing, Bill.

Mr. Nixon: You mean we're against you wasting money?

Mr. Good: You're the one who lost the 20 seats.

Hon. Mr. Davis: You people lost the chance to form a government and you know it. You blew it. I see the member for Wilson Heights smiling. He knows that you blew it.

Mr. Peterson: We won't blow it this time.

Mr. Gaunt: You're still brooding over losing your majority.

Hon. Mr. Davis: For example, we have that age-old call for massive tax decreases right across the boards. You know, I'm always amazed and I've been here for a while—

Some hon. members: Too long.

Hon. Mr. Davis: Well, I would say to the hon. member who made that observation—be very careful. Your tenure could be very, very brief. It could be very, very brief.

An hon. member: What's the date?

Mr. Good: You told me that 10 years ago, too.

Mr. Deputy Speaker: Order, please. I don't want to hear the interjections repeated a second time. I don't want to hear them the first time. If there's anything that we prize in this Legislature, it's freedom of speech. The hon. member for Kitchener was allowed to be heard. The hon. member for Wentworth was allowed to be heard. I wish you'd extend the same courtesy to the Premier. It might also be helpful if the Premier spoke through the Chair. It might be less provocative.

Hon. Mr. Davis: Mr. Speaker, I will try to take that circuitous route through the Chair, but I'm just very anxious that they hear what I say.

An hon. member: Oh, we'll hear you.

Hon. Mr. Davis: Mr. Speaker, you are such an intelligent, logical person; I have no need to persuade you with my argumentation. I worry more about your colleagues, and I'm really trying to get at them through you.

Mr. MacDonald: Flattery will get you nowhere with him.

Hon. Mr. Davis: Oh, I'm not so sure.

Mr. Lewis: Easy. Easy.

Hon. Mr. Davis: I'm always amazed, Mr. Speaker, through you to my colleagues opposite, by the degree to which people in opposition shamelessly call for tax decreases almost in a ritual self-affirmation that they are really in opposition. This sort of backwards-forwards approach to government always comes along with a strident attack on the deficit. I heard a bit of that tonight.

[9:45]

Let's just pursue that for a moment because I know it touches on a strain of logic which is almost particular to the Liberal Party of this province. I have no illusions about the New Democratic Party being caught up in the same strain of logic.

Mr. Nixon: You're big spenders too.

Hon. Mr. Davis: They want to lower taxes and they don't care about raiding the Treasury at the taxpayers' expense. They're consistent, as always, in that old socialist inconsistency.

Mr. Nixon: You're the expert on that.

Hon. Mr. Davis: But for the Liberals, it is one of the most confounding mysteries of their faith that they can call for changes in government spending from time to time, reduction of taxes which has the same effect on the Treasury as increases in government spending, and then they call for a lower deficit. I don't totally understand it but I'm sure, over the next period of months, they will try again to explain it.

Mr. Reid: It's called deficiency in government.

Hon. Mr. Davis: How disappointed they must have been in last year's budget where the government reduced its deficit markedly, and how frightened and uneasy they must be with respect to tomorrow night.

Mr. Singer: We sure look worried.

Hon. Mr. Davis: But I think, Mr. Speaker—yes, you're very worried about it, I say to the member for Wilson Heights.

Mr. Singer: It's bad timing.

Hon. Mr. Davis: But I think it would be edifying for all members of the Legislature and for the province as a whole to note that the reasonableness and the faint glimmer of balance which sometimes invades the remarks

of the leader of the third party in the House are totally devoid from what he is prepared to say about this government and about the province when touring on behalf of the political interests of his own political party.

Perhaps it is one of the real luxuries of a third party that one can say things in various places and not have them reported or held up to public scrutiny to the same extent the things said by a member of the government are held up to the public scrutiny, as they should be.

Mr. Nixon: Why is Darcy making all those speeches?

Hon. Mr. Davis: I understand that on March 16, at a nominating meeting in the riding of Middlesex, the Liberal leader made a very interesting speech—

Mr. Nixon: There were 900 at that nomination.

Mr. MacDonald: That's all the vote you will get.

Hon. Mr. Davis: —a speech which perhaps spoke more eloquently than ever of the moral bankruptcy, the political opportunism and fundamental hypocrisy—

Mr. Nixon: We are going to pick that constituency up.

Hon. Mr. Davis: —that has now become part of the Liberal incantation across this province.

Mr. Breithaupt: This is all without being provocative.

Mr. Nixon: Who wrote that baloney for you?

Hon. Mr. Davis: I should point out that the member for Middlesex, and parliamentary assistant to the Minister of Agriculture and Food (Mr. Eaton)—

Mr. S. Smith: Why don't you call me Spiro Agnew too?

Hon. Mr. Davis: —had his political career greatly advanced by the type of cheap and dishonest politicking which the leader of the Liberal Party would consider carrying forward at that meeting.

Mr. Reid: You should have spent the evening playing tennis. You would have been better off if you had played tennis.

Mr. Nixon: That's a fifth-rate comment.

Mr. S. Smith: Get a new speechwriter.

Hon. Mr. Davis: I understand the Liberal leader made some absolutely amazing predictions in his speech. If he stands by those predictions, as I share them with you tonight, I'm sure he will want to say so at some point during the next few days. If, however, he thinks some of those predictions might be as excessive and outlandish as they sound, he might also want to take the opportunity of saying so during the next few days. I understand he believes we have made education in Ontario one large Grand Central Station, and that there is no testing in our school system, and that we have destroyed the initiative of our young people.

I understand he said this government is committed to taxing churches, Boy Scout groups and charities, and that if we were to get a majority we would ram an inequitable tax system down the throats of the people of this province.

Interjections.

Mr. Deputy Speaker: Order, please. The hon. member for the Liberal Party has had an opportunity in this debate.

Hon. Mr. Davis: I am just stating the facts. I am not being provocative.

Interjections.

Hon. Mr. Davis: I understand he said this government is arrogant toward smaller communities and that there was something less than honest in the decision by the Highway Transport Board on the matter of Gray Coach and Greyhound. Sure, some of them applaud, certainly. That is what is going to destroy their party. I understand he said we did not as a government want to track down those people who may have been improper recipients of home buyer grants under the home buyer grant programme.

Mr. Good: You lost the 20 seats, we didn't.

Mr. Nixon: Nine million dollars you gave away.

Mr. S. Smith: So far you are right on.

Hon. Mr. Davis: Yes, he said all of these things. I am glad he acknowledges it. I understand he said that a renewed mandate for this government would see the closing of 22 more hospitals in Ontario. I challenge him to tell us where and I challenge him to find that commitment in our programme.

Mr. S. Smith: No, I said it might.

Mr. Nixon: Fortunately the courts stopped you.

Hon. Mr. Davis: I understand he believes our House leader is a rather sneaky fellow, that he plays around with Wintario grant letters, that he doesn't deal with them honestly or directly.

Mr. Lewis: Oh, the unkindest cut.

Hon. Mr. Welch: Did you say that about me?

Mr. Lewis: Oh, my God.

Hon. Mr. Davis: Yes, I tell you, it was one of the historical speeches in the history of this province.

Mr. S. Smith: Why don't you say what I said, which is that he signs the winning ones and his deputy signs the losing ones?

Mr. Deputy Speaker: Order, please. It is the prerogative of the Chair to recess this House and I will avail myself of that prerogative if you don't straighten up.

Mr. Nixon: Oh, you don't have to do that, Mr. Speaker.

Mr. Deputy Speaker: Will the member for Brant-Oxford-Norfolk try to restrain himself.

Interjections.

Hon. Mr. Davis: Mr. Speaker, I make reference to these rather outlandish and sad statements in the House only because I think all of us in this—

Hon. Mr. McKeough: The leader of the third party should see a shrink. That's what he should do.

Hon. Mr. Davis: Only because I think—

Mr. Breithaupt: So should the Treasurer.

Mr. S. Smith: Would the Treasurer recommend his?

Mr. Kerrio: Hand over your credit card, Darcy.

Hon. Mr. Davis: —that all of us in this Legislature should understand there is a level of criticism, a level of attack which helps to keep our system balanced and honest. I believe that, by and large, those levels are respected by all sides in this House in so far as debate in this Legislature is concerned.

Mr. Good: Not in the last 10 minutes.

Hon. Mr. Davis: But when people become cynical about our political system and ask why people lose faith in it, I have to believe that part of the answer lies with those who gladly participate in and encourage excess.

Mr. Breithaupt: Such as you.

Hon. Mr. Davis: I put these notions on the record only because I was so disturbed by the tenor, the cheapness and the rancor of the comments that were made.

Mr. S. Smith: What a cheap speech from the Premier of Ontario.

Hon. Mr. Davis: More important than that, because they weren't honest and because they had no support in fact. It is a sad indication of just how prepared the third party will be to distort, misrepresent and weaken this government's extensive programme, irrespective of how they may vote today and in the future.

Hon. Mr. McKeough: Hear, hear.

Mr. Nixon: What programme? A deficit programme.

Mr. S. Smith: You need a new speech-writer.

Mr. Lewis: You already have all that Liberal vote. How much more do you want?

Hon. Mr. Davis: Quite a bit. You can never have too much.

Mr. Deputy Speaker: Order. The Leader of the Opposition has already participated in this debate.

Hon. Mr. Davis: Mr. Speaker, in dealing with the Leader of the Opposition, the question is not really one of distortion—

Mr. S. Smith: I hope you raise your level a little bit. What are you going to call him—cheap, dishonest?

Hon. Mr. Davis: —but merely one of the rather jaunty, rather imprecise ways that he tiptoes through the issues in order usually to make three or four points, which he did again seek to make rather ritualistically but so dependably in his response to the Speech from the Throne.

First, I think it is clear that when he talks about things like civilizing the Workmen's Compensation Board and using other linguistic excesses, which I will make reference to in a moment—

Mr. Lewis: That is an excess? You should hear me when I am in full stride.

Hon. Mr. Davis: —oh, I have heard you for years—he tries to establish that only one party in this province cares about people in this province. Once again, he implies we are perfectly prepared to let people suffer from

occupational hazards and diseases, that we on this side seek no remedy for them, have no programmes in place to help them and that, in a sense, if there was a definition for modern callousness and lack of regard in today's Ontario, that definition would be Progressive Conservative.

Mr. Reid: That's a good line.

Hon. Mr. Davis: His self-righteous preening is more vexing, Mr. Speaker; it has become insulting.

Mr. S. Smith: Get a new speechwriter. This sounds like your Windsor speech.

Hon. Mr. Davis: It's the old argument made in an old way by a Leader of the Opposition who is more a prisoner of the past than I think he would be prepared to admit. He took the time to stress his links with the Co-operative Commonwealth Federation in suggesting that he would offer co-operation.

Mr. Breithaupt: You knew Tom Kennedy. I mean, it's not all bad.

Hon. Mr. Davis: I accept his offer of co-operation, Mr. Speaker, and I point out only in passing that the very same offer of co-operation preceded only by hours a motion of no confidence in this government which was very general. All that took place between his offer of co-operation and his motion of no confidence was the sound of his own voice. How easily he convinced himself and how easily he convinces himself when he talks to himself. His motion left almost no stone unturned. I read it carefully. It dealt with the property tax, Workmen's Compensation Board, jobs, poor management of the economy, tax cuts dealing with natural resources and agricultural land and, God knows, everything else.

Mr. Breithaupt: There are a lot of things needed.

Hon. Mr. Davis: The Leader of the Opposition was caught in a rather difficult bind between the day that Her Honour read the Speech from the Throne and the day when he offered his eloquent, as usual, if somewhat archaic, response. Firstly, he could not restrain himself from saying that he liked the Speech from the Throne. I recall that being said.

Mr. Lewis: I said it in my reply.

Hon. Mr. Davis: God knows what he must have had to deal with in his caucus. The

hard-liners must have been gnawing at their nails—

Hon. Mr. McKeough: The real Reds over there.

Hon. Mr. Davis: —as the Leader of the Opposition once again let his own innate honesty get in the way of old-time socialist dogma. But within a few days the transformation had occurred.

Mr. Lewis: It didn't take long.

Hon. Mr. Davis: The fix was in place, and the new Stephen was once again the old Stephen, merely carrying forward a burden of dogmatic pursuit—

Mr. Lewis: It's reassuring.

Hon. Mr. Davis: —which has weighed down so many leaders before him and will weigh down so many in the future, just as the dogma, the ritual, the self-righteousness and the—

Mr. Lewis: It is not Churchillian, I'll tell you.

Mr. Deputy Speaker: The Premier doesn't need the help of the Leader of the Opposition.

Mr. Lewis: I'm not so sure.

Mr. Singer: Miller wrote better stuff than that. Miller was much better than Segal.

Hon. Mr. Davis: It really is the old question, Mr. Speaker—you would understand it—and this is one which has been dealt with by—

Mr. Singer: Miller was much better than that.

Mr. Deputy Speaker: Nor the member for Wilson Heights.

Mr. Singer: I am sorry, sir. I just want you to know that Mr. Miller wrote better stuff than Mr. Segal does.

Hon. Mr. Davis: This is one which has been dealt with by many thoughtful historians and political scientists of whether or not the New Democratic Party is a party or whether it is a movement. I suspect that when they are in government they claim they are a party, and that when they are out of government they claim that they are a movement.

Mr. Lewis: I think that's right.

Hon. Mr. Davis: Which has not been a clever rationale for explaining defeat upon defeat in election after election in this jurisdiction and some others from time to time.

Mr. Peterson: Calling them a movement is very unparliamentary.

Hon. Mr. Davis: But looking through and listening to the remarks of the Leader of the Opposition, it is clear that after almost a century of various socialist experiments in other places, and illustration upon illustration of the sheer functional failure of old-time, 19th century socialism, the particular proponents of socialism that the Leader of the Opposition has the privilege of leading here in Ontario haven't learned one darned thing.

We have—and it's so simple, it's so evident—the old-time, bureaucratic faith-healers led by self-proclaimed missionaries who want to help Ontario find salvation through bankruptcy. Mr. Speaker, God held Ontario. The Leader of the Opposition was a missionary in Africa once, I'm told.

Mr. Lewis: It's very sophomoric writing, you know.

Mr. Breithaupt: It is soporific as well.

Hon. Mr. Davis: Their solution to the preservation of jobs and to the creation of more jobs is not support for the private sector—

Mr. Lewis: Oh, yes.

Hon. Mr. Davis: —or allowing people the freedom and the incentive to grow and to expand and to generate real private sector opportunities that will be there for generations to come.

[10:00]

Mr. Peterson: Why don't you make the man who wrote this read it? That will pay him back.

Hon. Mr. Davis: But their solution is massive holdings of public equity by the people of this province.

Mr. Lewis: Nonsense.

Hon. Mr. Davis: Buy into this plant; open up this one here; have a Crown corporation doing this and doing that. We can determine after eight years of government in Manitoba that the costs of this particular outdated approach have become really very clear—

Mr. Singer: Come out against the government of Manitoba, yes. That's a good one.

Hon. Mr. Davis: —and are an example of how the suggestions advanced by the Leader of the Opposition would cause sheer havoc and folly in the economy of this province, and cause an absolute nightmare for the taxpayers of this province.

You know, one person who has been observing the NDP in Manitoba—

Mr. Lewis: This isn't Manitoba.

Hon. Mr. Davis: —was recently heard to say that giving the NDP a chance to run Ontario would be a little like sending a fox to watch a chicken coop.

Mr. Lewis: That's an old Tommy Douglas line—the fox among the chickens.

Hon. Mr. Davis: Well, listen, we learn something every day.

Interjections.

Mr. Ruston: No reading in the House, Bill.

Mr. Singer: You can do better than that.

Hon. Mr. Davis: It's important for all of us to understand the code which the NDP uses. When they want massive government growth, massive raids on the Treasury, massive public ownership, and in some cases nationalization, they usually use the term, "social justice" as the cover.

Mr. Lewis: It's not a bad cover.

Hon. Mr. Davis: It's not a bad cover.

Mr. Lewis: Not bad at all.

Hon. Mr. Davis: Those are nice words, they're warm words—

Mr. Lewis: Amiable friendly words.

Hon. Mr. Davis: —with which many of us choose to associate ourselves. Words which allow the masking of the old-time power-grabbing and manipulations—

Mr. Lewis: Absolutely.

Hon. Mr. Davis: —of the economy under the guise of reform. No question about it. It takes in some people in the media, it even takes in the member for Wilson Heights. It takes in some people in our society—

Mr. Lewis: I don't believe this.

Hon. Mr. Davis: —but it is a con, and a serious, well thought out and often insincere con, which relates to a whole view of society—

Mr. Lewis: It is not so well thought out—spontaneous, not well thought out.

Hon. Mr. Davis: It was thought out as early as the thirties.

Mr. Lewis: No, no, No, no.

Hon. Mr. Davis: It's a view of society which is distorted and unfair, and in many respects very insensitive and highly monopolistic. If you look at Manitoba, Mr. Speaker—

Mr. Lewis: Manitoba?

Hon. Mr. Davis: Well, listen, it's a great example of those people having responsibility.

Mr. Breithaupt: You could look at Newfoundland, if that's the proper place.

Hon. B. Stephenson: Twenty years of Joe Smallwood.

Hon. Mr. Davis: And if you look at all this government ownership you will see an economic landscape cluttered with failed or failing government airplane factories, bus factories, and I am told even government Chinese food factories.

Interjections.

An hon. member: And the lowest unemployment rate in Canada.

Mr. Reid: They have all left.

Hon. Mr. Davis: It is interesting to point out that at a time when Ontario is seeking to reduce—and has reduced—its public service to cut back the burden which government can place on the people, the civil service in Manitoba has been increased in the past four years by some 60 per cent.

Mr. Lewis: You know, this—

Mr. Deputy Speaker: Would the Leader of the Opposition stop mumbling?

Mr. S. Smith: Say the interjections more distinctly.

Mr. Breithaupt: Speak more clearly.

Hon. Mr. Davis: The thing I find most frightening, and I say this in friendship to the Leader of the Opposition—

Mr. Lewis: I should think so!

Hon. Mr. Davis: —is that the rigidity and the almost orthodox religious loyalty to outdated ideas and badly structured programmes really does affect what might otherwise be a rather bright intellect and precise political judgment.

Mr. S. Smith: Maybe you should write Darcy's speeches.

Mr. Conway: I thought reading speeches was not allowed.

Hon. Mr. Davis: Oh, I'm just glancing at it.

Mr. Deputy Speaker: The Premier will ignore the interjections.

Mr. S. Smith: He would do better to ignore the speech that was written for him.

Hon. Mr. Davis: I'd be delighted to, Mr. Speaker. I don't find it easy to ignore them, but I'll do my best.

Mr. Deans: You can't even read it with a straight face.

Hon. Mr. Davis: I look at you and I have difficulty keeping a straight face. I did it well. All during your address you were smiling to yourself, and I didn't say a word to the House. You were laughing at yourself.

Mr. Deans: I write my own drivel, I can't afford to hire anybody.

Hon. Mr. Davis: I agree with the hon. member, it was drivel. It was drivel.

Mr. Lewis: This was supposed to be a blockbuster tonight.

Hon. Mr. Davis: No, it is a very thoughtful analysis of your party. Very thoughtful.

Mr. Lewis: It is wonderful.

Mr. Breithaupt: If that's thoughtful we are all in trouble.

Mr. Martel: Some Boy Scout wrote it for you.

Mr. Deputy Speaker: Order, or I'll recess the House for 10 minutes.

Hon. Mr. Davis: The people of this province are given a daily diet, by the Leader of the Opposition, of criticisms and programmes which, as prophecy, offer every indication of an approach to government which is totally foreign to our people. It is so badly out of date as to be a denial of the progress and humanization we have achieved in our society over the last many decades. There are times when the Leader of the Opposition is not helped by his friends in other provinces—

Mr. Martel: Like Joe Who.

Hon. Mr. Davis: —who talk about various schemes for instant social justice and equity, such as the notion that no one should make

more than two and a half times as much money as anyone else in society.

Mr. Lewis: This is reaching.

Hon. Mr. Davis: You know, I would point out to the Leader of the Opposition—

An hon. member: Great friend of yours.

Hon. Mr. Davis: —because I know he would want to point this out to his friend—and I have respect for the Premier of Manitoba—that in Cuba they're allowed a ratio of four to one.

Mr. Lewis: Cuba?

Hon. Mr. Davis: Manitoba two and a half; Cuba four to one.

Mr. Lewis: Another province.

Hon. Mr. Davis: What have the poor people of Manitoba done and, indeed, what would the people of Ontario have to do to be faced with this same simplistic insensitivity?

Mr. Martel: You get carried away.

Hon. Mr. Davis: You see, Mr. Speaker, the difficulty is really one of principle, and that principle is profound.

Mr. Lewis: Believe me.

Hon. Mr. Davis: Yes it is. The Leader of the Opposition may attack the Workmen's Compensation Board—and I'll get back to that shortly—and he may make a speech or two about pollution, but when you come right down to it, the difference between us over here and those people over there, is not over these issues, but on the opposition's subservience to the idol of total, dehumanizing, leveling, insensitive, and despairing equality, taken to the point where its advocates can no longer understand—

Mr. Breithaupt: What absolute tripe.

Mr. Lewis: Is this the campaign?

Hon. Mr. Davis: —the aspirations of people for self-improvement, for excellence, prosperity and personal growth—

Mr. Breithaupt: Like the ones who want to own a home.

Hon. Mr. Davis: —which are part of the make-up of this province and the heritage of our people.

Mr. Peterson: Author, author, author.

Hon. Mr. Davis: What their lack of sensitivity has produced is a real inability to understand many issues and an almost insensible drive towards distortion and misunderstanding which do pose a threat to this province.

Mr. Lewis: This is too extreme, much too extreme to wash. Let's have another line.

Hon. Mr. Davis: I've got to say to the Leader of the Opposition—unlike him, I'm never extreme. I'm never extreme.

Mr. Lewis: Much too extreme.

Hon. Mr. Davis: Look at the agricultural stabilization and the whole agricultural land issue.

Mr. Lewis: You can't fight a campaign on this.

Hon. Mr. Davis: What campaign? What campaign? I was pleased to see the leader of the Liberal Party admit in the House—though I'm not sure that he would admit it elsewhere—that we do not face a crisis on food land, and we do not face an immediate crisis on food supply. When you look at the agricultural land issue and the agricultural stabilization issue as it played itself out in this House, it is clear that the position of the official opposition was really that of trying to move us forward toward the same public equity position which they would like to see the government hold in all sectors of our economy—

Mr. S. Smith: He is attacking your green paper, Bill.

Hon. Mr. Davis: —a public equity position of impact and strength and importance, particularly in the farming community.

Mr. Lewis: This is not a credit to you.

Hon. Mr. Davis: Mr. Speaker, that kind of state farm programme, which would reduce—

Interjections.

Hon. Mr. Davis: That's what you want.

Mr. S. Smith: Allstate.

Mr. Breithaupt: You are in safe hands.

Mr. Speaker: Order, please. The hon. Premier has the floor.

Hon. Mr. Davis: That kind of state farm programme which would reduce farmers to tenants, is precisely what has apparently taken place in Manitoba, with the purchase

of some 179,000 acres of private farm land by the NDP in that province.

Mr. Lewis: How many?

Hon. Mr. Davis: One hundred and seventy-nine thousand.

Mr. Lewis: Which province is that, Cuba? Which one?

Hon. Mr. Davis: No, no. The one which you know even better, the one of Manitoba.

Mr. Lewis: Oh, I didn't know.

Hon. Mr. Davis: It is unbelievable, that after so many decades—

Mr. Breithaupt: How are the Tories doing in New Brunswick?

Hon. Mr. Davis: —the New Democratic Party would still believe that people want government to run and own farms and act as a landlord, with farmers as tenants; or to punish initiative, energy and achievement through the tax system; or run business and, basically, have the government be the absolute, total centre of society. That's basically what you want.

Mr. Lewis: You are going to have to count on tomorrow night.

Hon. Mr. Davis: Firstly, in the case of the farming, that approach would destroy the farmers of this province. And, secondly, I disagree fundamentally, as do my colleagues on this side of the House, with that view of society.

Government is not the centre of society, as we see it. The individual and his or her striving for excellence and achievement and prosperity and security—that is the centre of society as we see it.

Where we differ from the rather loose and laissez-faire somewhat haphazard philosophy of our friends in the Liberal Party is very clear. We have a philosophy. They don't.

Mr. Breithaupt: Poppycock.

Hon. Mr. Davis: Liberalism, to paraphrase an expression of the Leader of the Opposition, is neither the art of the possible nor the art of the reasonable. It is not even an art.

Mr. Lewis: Oh, I don't know. It is artful, I tell you.

Hon. Mr. Davis: I added that myself.

Mr. Reid: We knew things were going downhill.

Hon. Mr. Davis: It is the loose grab-bag of patch-quilt, contradictory policies which are put together generation after generation in some faint hope that the people of Ontario can be so driven to despair and utter desperation that some day the hollowness of that option might be attractive.

Mr. Conway: Jack Horner doesn't think so. Jack Horner doesn't believe you there, Bill.

Mr. Speaker: Order, please.

Hon. Mr. Davis: I didn't consult Jack Horner about this.

Mr. Peterson: Who did write your speech then?

Interjections.

Mr. Speaker: Order, please.

Mr. Lewis: You shouldn't let them write your speeches for you, you are much better on your own.

Mr. S. Smith: Why don't you attack Nova Scotia? It has a Liberal government.

Hon. Mr. Davis: That is not only underestimating the people of Ontario, but is also overestimating the power of despair.

Mr. Singer: To paraphrase again.

Mr. S. Smith: Try a précis instead of a paraphrase.

Hon. Mr. Davis: We believe there is a need for governments to begin now to rectify an imbalance. The dusty, old, tired radicals of the Regina Manifesto in the 1930s—that's where it all comes from.

Mr. Lewis: Oh, God!

Mr. Reid: I thought you were serious all the way through.

Mr. Lewis: It won't work. Don't you understand?

Mr. MacDonald: Lubor Zink wrote that.

Hon. Mr. Davis: Who? I don't know him. At least not well.

Mr. Singer: That fellow Segal is good. He exceeds Miller beyond belief.

Mr. Breithaupt: Can't you work the Winnipeg general strike into this as well?

Mr. Singer: It's good that you are afraid of Miller with Segal.

Hon. Mr. Davis: What they don't understand over there is that across this country we have seen governments' share of total wealth climb and climb again—

Mr. Lewis: This is too much.

Hon. Mr. Davis: —until it has now reached the level of 45 per cent.

Mr. Peterson: Which ministry is that?

Hon. Mr. Davis: In 1962, the British government's share of total wealth was 44 per cent—

Mr. Lewis: Oh, no!

Mr. Speaker: Order, please.

Hon. Mr. Davis: —and now, in 1977, their share is 62 per cent.

Mr. Peterson: Which ministry is Segal going to tomorrow?

Hon. Mr. Davis: It is in the hope of keeping us off that road that the balance must be rectified.

Mr. Singer: Segal says!

Mr. S. Smith: You are on your way to Margaret Scrivener.

Mr. Reid: Oshawa next stop.

An hon. member: Dispense.

Hon. Mr. Davis: I don't want to answer the interjections, Mr. Speaker, but I am being tempted.

We think the people of Ontario want to have some of these questions asked. And they want to have a government which is prepared to guarantee economic and social security, because it is prepared to seek that balance—

Mr. Singer: And Segal has the answer. Yes, sir.

Hon. Mr. Davis: —and, when necessary, a mandate to steer our society away from those who would follow the old spending paths—

Mr. Lewis: Oh, come on. Oh, my goodness.

Hon. Mr. Davis: —the old devotion to massive public bureaucracy and massive public spending without question or doubt.

Mr. Breithaupt: How many civil servants do you have? Sixty thousand?

Mr. Lewis: Bring back John Miller.

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, I want to deal with the question of Quebec and Confederation—

Mr. Singer: What did Segal say about that?

Hon. Mr. Davis: —as the Leader of the Opposition and the leader of the third party have done.

Mr. S. Smith: Ah, Spiro Agnew.

Hon. Mr. Davis: I want to take specific issue, if I may—you can defend Marc Lalonde as much as you want; go right ahead.

Mr. S. Smith: You insult him as much as you like too.

Hon. Mr. Davis: I didn't insult him.

Mr. Speaker: Order, please. The hon. Premier has the floor. Will he speak through the Chair?

Hon. Mr. Davis: I want to take specific issue, if I may, with one statement, or perhaps more important, its form, which was attributed by Hansard to the Leader of the Opposition—in his reply to the Speech from the Throne before I touch on Confederation briefly. It disturbed me, and I mention it.

Mr. Lewis: What's that?

Hon. Mr. Davis: In dealing with the decision announced by the new Minister of Community and Social Services (Mr. Norton) with respect to residential services and troubled children, the Leader of the Opposition in expressing his concerns used the following expression: "I don't know how the children will not be defiled by the inadequacy of the rest of the ministry." I don't know what the Leader of the Opposition meant to say, and I hope it is not what he did say.

The residential services programme, and the programmes which this government have supported and instituted to help troubled children in Ontario over the decades, rank amongst the most progressive, the most humane, the most well-funded and comprehensive of any jurisdiction in the free world or otherwise. Problems in those programmes and difficulties are things which a responsive and humane government must respond to. These are problems which we are responding to as best we can.

[10:15]

The Leader of the Opposition—and this is proper—may have criticisms of the Ministry of Community and Social Services, he may wish to direct these at many civil servants and others who work loyally within that con-

text, and he may have criticisms which he would want to address to the new minister, or the previous minister, or to any member of this government—

Mr. Lewis: I think you are taking it out of context, do you know that, because I was pretty careful about that.

Hon. Mr. Davis: You read it.

Mr. Lewis: I will go back and read it.

Mr. Speaker: Order, please.

Hon. Mr. Davis: But to suggest that children would be defiled by the inadequacies in the ministry—

Mr. Lewis: You know I don't mean—

Mr. S. Smith: Oh, come on, don't be ridiculous.

Hon. Mr. Davis: —is an excess of language, if not in intent, which casts very serious doubts upon the sincerity and balance of his comments in that area.

Mr. Lewis: That is not fair. I dealt with that pretty carefully.

Hon. Mr. Davis: Read it carefully, and if I am wrong I will apologize, because I was very disappointed in it.

An hon. member: Do it now.

Mr. Renwick: When the going gets tough—

Hon. Mr. Davis: I understand the opposition is now running a series of hearings across Ontario to hear those people with concerns to express about the Workmen's Compensation Board. I want to make a prediction: There won't be one person appear before any one of those partisan hearings who will have anything good to say about the board.

Mr. Breaugh: You are quite wrong. We had three last week.

Hon. Mr. Davis: No, I am just stating the obvious. Those members wouldn't be going there if they thought the people were going to say something nice about the board.

Despite the fact that over 91 per cent of all of the claims which are handled to the common satisfaction of the board and the claimant, despite the clear position which our jurisdiction has as a leader in the area of workmen's compensation—and they can't show us a better one—in the area of rehabilitation and occupational health, it will be impossible for our friends opposite to find one person who has anything good to say about it.

Mr. Renwick: We are not preoccupied with statistics.

Hon. Mr. Davis: I guess this typifies more than anything else the opposition mentality and part of the old NDP con game that we have come to know and deal with here in Ontario—if there is a human suffering or difficulty it can be exploited, and be made a political football, and can be used for one's political purposes. That is exactly what they are doing it for.

Interjections.

Hon. Mr. Davis: Those hearings are nothing but pure partisan politics, pure partisan politics, and their leader knows it.

Mr. S. Smith: That's cheap.

Hon. Mr. Rhodes: What about Cassidy's memo on rent review?

Hon. Mr. Davis: Oh, listen, I've even got some correspondence—never mind—

Interjections.

Mr. Speaker: Order, please. Only the Premier has the floor.

Hon. Mr. Davis: Mr. Speaker, I am going to tell you right now this government will not step back from its support of our Minister of Labour, who is seeking to ensure the Workmen's Compensation Board retains appropriate levels of benefits and maintains an actuarially sound financial position.

Mr. Lewis: Oh, yes.

Mr. Renwick: She isn't interested in any of the actuarial nonsense.

Hon. Mr. Davis: We utterly reject the notion of some broad insurance scheme which could make workers who do not now pay for workmen's compensation pay—

Mr. Laughren: That's total crap.

Hon. Mr. Davis: —and which would have the same guarantee of viability and dependability as did the various auto insurance schemes which went absolutely bankrupt in other NDP jurisdictions.

Interjections.

Hon. Mr. Davis: We are not just going to let the workers of Ontario be subjected to that kind of risk.

Mr. Lewis: Nonsense.

Hon. Mr. Davis: It is sad that the Leader of the Opposition would be so unthinking and so callous. I believe that the programme put forward—

Mr. Lewis: Help, help. Go ahead.

Hon. Mr. Davis: That's right. He ought to think it through very carefully.

Mr. Martel: You said that in Elliot Lake, too.

Hon. Mr. Davis: I believe that the programme put forward by this government represents a sane and responsible response to the problems that face Ontario and to the challenges which our people believe we can meet and overcome. It is a programme with five areas of priority: long-term job creation, overall economic growth and prosperity—

Mr. Lewis: Very long term.

Hon. Mr. Davis: —the control of government spending, which the parties opposite don't agree with—

Mr. Deans: It's a fraud, that's what it is.

Hon. Mr. Davis: If the hon. member thinks the Throne Speech and programme is a fraud, so be it.

Mr. Deans: That's what I think.

Hon. Mr. Davis: He knows what I think of his approach.

The continued protection of Ontarians from high rents, high prices and unfair wage demands. It is sad that this anti-inflation commitment, so important to our senior citizens and to the working men and women of Ontario who lost one-half the days to strikes in 1976 than they did in 1975, should be opposed by the parties opposite, but it remains part of our programme nevertheless, just as do commitments in environmental protection, French-language instruction, energy research and conservation, increased agricultural production, court reform, and reforestation. It is not a document for those who are defeatist.

Mr. Lewis: It sounds like the Regina Manifesto.

Hon. Mr. Davis: It is not a document for those who peddle in the wares of gloom and doom. It provides for the economic and social stability in Ontario which is vital to the national unity of this country and vital to the well-being of Canadians everywhere.

Mr. Deans: After 34 years.

Hon. Mr. Davis: The Leader of the Opposition said in his closing remarks on the issue of Quebec in particular: "... when you're talking about sovereignty with economic association, there is an increasing appeal to a lot of people in Quebec. That, I think, is why it is so desperately important that Ontario keep the option open—keep the doors open ... " I think I quoted him accurately.

I want to point out that while our doors are open to Quebec and our lines of communication are good, they're open and they're frank. We do not maintain doors open to the option of independence for Quebec with continued economic union with Canada. I think the Leader of the Opposition and I differ on this as well.

Mr. Lewis: I think you are taking it out of context because I was pretty careful about that. I will go back and read it.

Hon. Mr. Davis: I believe that there is endless good faith, as do the Leader of the Opposition and the leader of the third party, as long as we are all working together as Canadians to build, to improve, to share and to understand. The minute the doors are closed by any partner to the debate it is naive and, I think, dangerous to hope that somehow there will be some solution thereafter which will make things almost as good as they were before.

POINT OF PRIVILEGE

Mr. Lewis: On a point of personal privilege, I consider this a very crucial matter. I don't think anything I said about Quebec at any time during that speech implied any willingness to accept on my part or that of my party the prospect of independence with some kind of economic association. I eschewed that completely and it is unfair of the Premier to imply it.

Mr. Speaker: I think that was a point of order rather than a point of privilege.

Hon. Mr. Davis: I don't want to get into a prolonged debate on the observations made about the election of the government in Quebec, which had as part of its stated objective—

Mr. Renwick: Withdraw the remarks.

Interjections.

Mr. Renwick: You are wrong and you know it. Don't play that game because it will come back on you.

Mr. Speaker: Order.

Mr. Renwick: That's not worthy of you. The situation is rough enough without that.

Hon. Mr. Davis: You check it carefully.

Mr. Renwick: Don't do that again in this House. That is rotten.

Mr. Speaker: Order, please, the hon. member for Riverdale. We've had a pretty good debate up to now tonight. Let's continue.

Interjections.

Mr. Speaker: Order, please. Let's get on with the last few minutes of the debate.

Interjections.

Hon. Mr. Davis: This party that I lead—

Mr. Martel: Will do anything.

Mr. MacDonald: Will use any tactic.

Mr. Deans: How can we believe the Premier?

Mr. Speaker: Order, please, the hon. member for York South.

Hon. Mr. Davis: —stands for one Canada that's indivisible, united and absolutely committed to a balance between the federal and the provincial governments. It stands for an Ontario which provides a climate of economic opportunity for prosperity and well-being.

Mr. Peterson: Would you put that to music?

Hon. Mr. Davis: Above all, through our Throne Speech and through tomorrow night's budget, we stand for an Ontario that is vibrant and strong and capable of meeting even the most serious economic challenges with confidence in ourselves, a rediscovery of self-reliance and a belief in our future. We offer a positive and extensive programme of government which should give every Ontarian reason to have confidence, to have hope and to have security. It is a programme that I am pleased to promote here in this Legislature and throughout the province when necessary.

Mr. Lewis: That was uncharacteristic of you. That was unnecessary.

Mr. Cassidy: And you always have one in every speech.

Mr. Speaker: Order, please.

Interjections.

Mr. Lewis: The implication of that is really offensive.

Interjections.

Mr. Speaker: Order, please. The Throne Speech debate now being concluded, I shall call for the vote as follows:

Mr. Johnson moved, seconded by **Mr. Shore**, that a humble address be presented to the Honourable the Lieutenant Governor as follows:

"To the Honourable P. M. McGibbon, OC, BA, LLD, DU (Ottawa), BAA (Theatre), Lieutenant Governor of Ontario:

"May it please Your Honour:

"We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly of the province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us."

Mr. Lewis then moved, seconded by **Mr. Deans**, that the motion for an address in reply to the speech of the Honourable the Lieutenant Governor at the opening of the session be amended by the addition of the following words:

"That while it is recognized that the concerns expressed in the Speech from the Throne, delivered by Her Honour, are genuine attempts to redress grievances resulting from many years of government mismanagement; and while it is recognized that those portions of Her Honour's address which dealt with questions of national unity are eminently supportable; nonetheless we must insist that this Conservative government has once again failed to establish priorities and policies which would resolve the following major concerns in the province of Ontario:

"1. The failure to ensure employment, both short- and long-term, with particular emphasis on (a) direct government involvement in major long-term job-creating projects of wide diversity, public and private, across Ontario, (b) economic stimulation by the promise of substantial tax cuts, (c) major development and building of diversified housing for low- and middle-income citizens, (d) an intensive programme of secondary and tertiary manufacturing based on our resource sector;

"2. The failure to call for an early end to the AIB despite increasing public concern that controls are now hurting far more than they are working;

"3. The failure to moderate increases in the cost of living by refusing to recognize that (a) the present property tax formula places an unfair burden on middle-, low- and fixed-income families, (b) food prices, energy prices, land and housing costs are above the consumers' reasonable capacity to pay;

"4. The failure to protect adequately our natural-resource heritage, be it water, minerals, forests or agricultural land, compounded by the continued absence of a land-use plan for Ontario;

"5. The failure to call for a complete overhaul of the Workmen's Compensation Board to civilize it, to humanize it, and to make it respond sensitively to many of the people it was created to serve;

"And for all the foregoing enumerated reasons this government no longer enjoys the confidence of this House."

The House divided on the amendment by Mr. Lewis, which was negatived on the following vote:

AYES	NAYS
Angus	Auld
Bain	Belanger
Bounsall	Bennett
Breaugh	Bernier
Bryden	Birch
Burr	Breithaupt
Cassidy	Brunelle
Davidson	Bullbrook
Davison	Campbell
Deans	Conway
Di Santo	Cunningham
Dukszta	Davis
Ferrier	Drea
Foulds	Eakins
Germa	Eaton
Grande	Edighoffer
Laughren	Ferris
Lawlor	Gaunt
Lewis	Good
Lupusella	Gregory
MacDonald	Grossman
Mackenzie	Haggerty
Makarchuk	Hall
Martel	Handleman
McClellan	Henderson
Philip	Hodgson
Renwick	Johnson
Samis	Jones
Sandeman	Kennedy
Swart	Kerr
Warner	Kerrio
Wildman	Lane
Young	Leluk
Ziemba—34	MacBeth
	Maeck
	Mancini
	McCague
	McEwen
	McKeough
	McMurtry
	McNeil
	Meen

NAYS
 Miller, F. S.
 Miller, G. I.
 Morrow
 Newman, B.
 Newman, W.
 Nixon
 Norton
 O'Neil
 Parrott
 Peterson
 Reid
 Rhodes
 Ruston
 Scrivener
 Shore
 Singer
 Smith, J. R.
 Smith, R. S.
 Smith, S.
 Snow
 Spence
 Stephenson
 Taylor
 Timbrell
 Welch
 Wells
 Williams
 Worton
 Yakabuski—71.

Pair: Stokes and Smith, G. E.

Ayes 34; nays 71.

The House divided on the main motion by Mr. Johnson, which was approved on the same vote reversed.

Resolved: That a humble address be presented to the Honourable P. M. McGibbon, Lieutenant Governor of Ontario:

May it please Your Honour:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly of the province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech which Your Honour has addressed to us.

PETITION

Hon. Mr. Welch: Before moving the adjournment of the House and with the permission of the House I would like to table the response to the petition filed by the member for Timiskaming (Mr. Bain).

Agreed.

On motion by Hon. Mr. Welch, the House adjourned at 10:32 p.m.

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 Warner, D. (Scarborough-Ellesmere NDP)
 Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
 Wildman, B. (Algoma NDP)



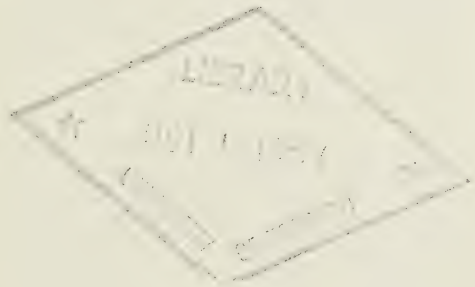
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Official Report (Hansard)
Daily Edition



Fourth Session, 30th Parliament

Tuesday, April 19, 1977

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 19, 1977

The House met at 2 p.m.

Prayers.

SPEAKER'S RULING RE: MOTION TO ADJOURN

Mr. Speaker: On Friday last, during the question period, a rather unusual procedure developed, brought about, I think it is fair to say, by the large number of ministers absent from the House during the question period.

There are two points that should be mentioned as far as the procedural aspect is concerned. First, as was pointed out, the ordinary rule as set out in standing order 31(a) is that motions to adjourn the House may be moved prior to the orders of the day only by leave of the House. I suggest that leave of the House does not necessarily predicate the unanimous consent, but is something which the Speaker must judge according to circumstances at the time.

In view of what occurred on Friday—and as no objection to the motion was made, I presumed leave of the House, and I feel that I was correct in this presumption—I point out that there is precedent for this action.

The second point on which I feel I should comment is that a member must under ordinary circumstances gain the floor in the usual way before he has the right to move such a motion. He may not interrupt the member who has the floor, by alleging a point of order for the purpose of moving the adjournment. However, the circumstances were again unusual. It was in the question period. That is, no one was holding the floor to speak on a debate; and as the Leader of the Opposition (Mr. Lewis), who had the floor to ask a question, took no objection to Mr. S. Smith's interruption, I again gauged the mood of the House to be such that it was desirable to allow the bells to ring on the motion, in order to bring the House back to some semblance of order.

With respect to the other point raised by the government House leader, while it is true that he does not have any specific duties prescribed by the rules, until the orders of

the day have been entered upon, it is surely the duty of the executive council to see that there are sufficient members of the council in the House during the question period to make it meaningful. Certainly, the Speaker cannot be expected to take on this obligation.

Mr. Singer: So much for Welch and Deans.

Mr. Speaker: Order, please.

May I take the opportunity to introduce to the hon. members, three honoured guests in the Speaker's gallery this afternoon, from Newfoundland. We have Mr. Roger Simmons, who is chairman of the public accounts committee; Mr. R. V. Winsor, the vice-chairman; accompanied by Mr. Ronald Penney the clerk. Welcome gentlemen.

POINT OF PRIVILEGE

Mr. Lewis: Mr. Speaker, I rise on a point of personal privilege, if I may. I shall state the point with brevity; but I must state it, because in my nearly 14 years in the Legislature I can hardly think of another matter about which I feel more strongly.

Last night, almost at the end of his address, the Premier (Mr. Davis) quoted certain words from my Throne Speech reply which he first implied, and then stated, showed a difference of opinion between the government and ourselves over the question of Quebec.

My words as quoted, Mr. Speaker, were: "When you are talking about sovereignty with economic association, there is an increasing appeal to a lot of people in Quebec; that, I think, is why it is so desperately important that Ontario keep the option open—keep the doors open." Somehow, those words were then construed as suggesting that we in the NDP might countenance some kind of independence for Quebec with continued economic union with Canada.

Nothing, but nothing, could be further from the truth. I have said on a dozen different occasions—and it is all a matter of public record, well known to the Premier—that we in this party cannot contemplate

Canada without Quebec; and that we would do everything in our power, personally and politically, to prevent independence.

My plea for keeping doors open spoke specifically to the need to reach the majority of federalists in Quebec who reject separation on any grounds. On rereading that section of my Throne Speech reply I cannot see any other possible interpretation. Indeed, in that speech I, again, specifically supported the Premier's initiatives, called for consensus in Ontario, and, ironically enough, added these words; "The majority of Quebecois still want to hear the voices which speak for unity. Let us not be discordant. I judge we won't be."

Last night's episode proves my judgement wrong, and I am frankly upset about that. My remarks were subject to what can only be called the grossest misrepresentation. Occasionally, unhappy degrees of animus, exaggeration or feeling invade this legislative chamber, but surely, on an issue of this kind, there has to be a limit to partisan political expression where that expression is wholly unwarranted.

Hon. Mr. Davis: Mr. Speaker, on the same point of privilege. I recognize that the Leader of the Opposition has made this point in good faith and it is one about which he feels very deeply. I would like to address myself to that point of privilege in similar good faith and with similar deep conviction. I only regret that the Leader of the Opposition didn't refer to two items that I raised in the remarks last night. The citations which I included in my remarks last evening both with respect to the defiling of children and sovereignty with economic association were precise.

If what the Leader of the Opposition said at that time with respect to the defiling of children—

Mr. Ferris: It's a red herring.

Mr. Lewis: Order

Mr. S. Smith: It's not on his point of privilege.

Mr. Lewis: Mr. Speaker, on a point of order, I would like to—

Hon. Mr. Davis: Are you prepared to—

Interjection.

Mr. Speaker: Order, please.

Mr. Lewis: I would rise to a point of privilege on that as well, but I beg you, Mr. Speaker, not to allow this to happen. I

uttered a point of privilege specifically dealing with one matter and I asked you not to allow the Premier to use his authority and presence in the House to shift it to another matter.

Interjection.

Mr. Speaker: I'm sorry. I did not hear the remarks. I believe the hon. member really should have risen on a point of order to correct a wrong impression that was left.

Mr. Lewis: Well.

Mr. Speaker: We would ask that the mood of the House perhaps accept that explanation or correction in the interpretation of certain remarks with which I am not familiar. Was the hon. Premier finished with his remarks? Would he please stick to the spirit of the House? Thank you.

Hon. Mr. Davis: Yes, I will pass over the concern that I expressed last night on that other matter which I had hoped the Leader of the Opposition might refer. On the issue that the Leader of the Opposition spoke just a moment ago, I believe that the juxtaposition and sequence of the remarks on page 128 of Hansard, the April 4 edition, indicate quite clearly to any reasonable reader that there is, in fact, a relationship between the apparent appeal of economic association with sovereignty in Quebec and the notion "that Ontario keep the option open, keep the doors open—"

Mr. Lewis: Right.

Hon. Mr. Davis: "—largely as the Premier said he will do and largely as the direction of policy seems to be."

Mr. Lewis: Right. Exactly.

Hon. Mr. Davis: I also believe, Mr. Speaker, that insofar as that statement creates any ambiguity about Ontario's position—

Mr. Lewis: Oh, come on!

Hon. Mr. Davis: —it should have been corrected. Let me finish, I didn't interrupt.

Mr. Lewis: All right, I am sorry.

Hon. Mr. Davis: As these comments made by the Leader of the Opposition appear to indicate his views, it was responsible and important for me to point out where—and I now quote from my own remarks—perhaps this was missed last night. I prefaced my remarks by saying, "I think, sir—" I didn't say that "in fact," I said, "I think, sir—"

Mr. Bain: Don't quibble.

Mr. MacDonald: Then we have innuendo.

Mr. Speaker: Order, please.

Hon. Mr. Davis: "—that the Leader of the Opposition and I differ."

Mr. MacDonald: Innuendo.

Hon. Mr. Davis: Well, the member for York South should know about that.

Mr. Speaker: Order, please. We don't want this to develop into a debate.

Hon. Mr. Davis: If the Leader of the Opposition believes that I was unfair and believes that the sequential relationship between the two thoughts do not imply either his position or the view he thinks he holds—or we hold—then I accept that gladly and I am prepared to stand corrected and I am delighted to hear him say it.

I would also take issue, Mr. Speaker, with the headline in today's Toronto Star which implies that I said one of the parties in Ontario is "soft on separatism."

Mr. Lewis: Not one of the parties—us.

An. hon. member: Right.

Hon. Mr. Davis: I am just going by the headline. I simply did not say that. I reread what I said very carefully. It is in my view an unfair headline in every respect.

Interjection.

Hon. Mr. Davis: On tender topics—and I won't refer to troubled children again although I am disappointed that the Leader of the Opposition didn't see fit to raise this—

Mr. Renwick: This is a separate matter, wait.

Mr. Speaker: Order, please.

Hon. Mr. Davis: Well, all right.

Mr. Speaker: Order, please. Could we keep to this point of order? Thank you.

[2:15]

Hon. Mr. Davis: I suggest that loose language helps no one. It was my duty to point that out last night, as the Leader of the Opposition feels he has to today, and I respect that, but I also intend to do so when necessary in the future.

POINT OF ORDER

Mr. Lewis: I rise on another and related point of order then, Mr. Speaker, if I may.

Hon. Mr. Davis: I thought you just spoke once.

Mr. Lewis: No, I see them as separate matters. During the Premier's remarks last night he made reference to a specific sentence of mine taken from a portion of my Throne Speech reply which dealt with the establishment of a new children's authority. I told him at the time, and Hansard will bear it out, that I thought the reference was taken out of context. The Premier said to me he didn't think so. I said I thought about that part pretty carefully and I was sure that I hadn't uttered an indiscretion of that type, the implication of the Premier's remarks being fairly extreme.

When I went back and looked at Hansard I noticed that the Premier had said yesterday that if I would reread it again and didn't think those remarks meant what they meant he would apologize. May I simply say to the Premier, through the Speaker, that I went back this morning and read those remarks very carefully. I noted that I had acknowledged the genuineness of the Provincial Secretary for Social Development (Mrs. Birch), I noted that I had paid tribute to the deputy minister who was appointed and to his aide. I noted that I had hoped it would go to the Ministry of Education rather than Comsoc and had simply expressed a strong reservation about the capacity of Comsoc to deal with this question of the children's authority. It was done in entire good faith and even if the one word "defiling" was not as exact as it might have been, it could not possibly be given the interpretation which the Premier put upon it in the context of my contribution on that subject in that debate.

Mr. Eakins: You are in trouble.

Hon. Mr. Davis: Mr. Speaker, I can't but say that I was disappointed that the Leader of the Opposition didn't say to this House that he didn't mean what is recorded in Hansard. I read very simply from Hansard—and I'm not a language scholar; I don't purport to have the command of the language that the Leader of the Opposition possesses—but I read very simply and I have read the context: "I look at the rest of the programmes in Comsoc and, honest to God, I don't know how the children will not be defiled by the inadequacy of the rest of the ministry." Mr. Speaker, I shall say no more.

Mr. Lewis: "By the inadequacy," that's right, I stand by that.

Mr. Speaker: Order, please, I think these matters have been explained. There's a dif-

ference of opinion obviously as to their interpretation. We consider the matter closed.

Mr. Deans: You are clutching at straws.

STATEMENTS BY THE MINISTRY

FIRE SAFETY IN CORRECTIONAL INSTITUTIONS

Hon. Mr. Meen: Mr. Speaker, on Tuesday, April 5, the hon. member for York Centre (Mr. Stong) asked me two questions in regard to the inquest into the tragic death of five inmates of the Stratford jail, and I undertook to provide an update on the action taken to implement the 12 jury recommendations which relate to this ministry's operations.

I must preface my reply by pointing out that the hon. member's second question appeared to have been based on the false assumption that these five inmates were being held in solitary confinement at the time of the fire. These inmates were not in solitary confinement, but were locked in their regular cells as a security measure as a result of information passed to the jail superintendent by police that at least two of these men were involved in plans for a jail break. Ironically, if these men had been in solitary confinement and denied all normal privileges they would not have had either the matches or the various magazines and papers which were used by one or more of them to start this fire.

The ministry has acted on all 12 of the jury's recommendations that affect the ministry. The following is a summary of our response to each recommendation.

In regard to the recommendations relating to staff training, fire drills and liaison with local police and fire departments, effective April 1 all new jail staff are being trained in the use of air packs and firefighting equipment within one month of employment. I might observe parenthetically that the jury recommended that this be done within three months.

All other staff will have received refresher training within three months. An ongoing programme of training will also be maintained. The ministry has made allowances for the payment of overtime to facilitate this training. Fire drills are being conducted on a regular monthly basis and simulated night-time drills are to be carried at least once every three months. Closer liaison is being established with local police and fire departments to assist in training our staff and to familiarize their personnel with the physical

layout of our buildings. All ganglock boxes have been painted a fluorescent red in keeping with the jury's recommendations. Arrangements have been made to ensure prompt access to our buildings by emergency services, and master key rings are being established in institutions where this is practical, having regard for necessary overall security.

Memoranda regarding the storage of mattresses which are not in use have been reinforced and the ministry is giving high priority to the replacement of polyurethane mattresses with a type of cotton mattress. Steps have been taken to extend staff coverage at the Stratford jail. Wooden shelving in day areas of jails has been removed and is being replaced by metal shelving.

I have personally written letters of commendation to the policemen and correctional officers whom the jury commended for bravery. Ministry officials are currently working to complete a highly reliable check-back system relating to directives. In the interim, all superintendents are required to acknowledge in writing all memoranda on matters relating to inmate safety.

That covers the 12 recommendations relating to this ministry. The 13th recommendation was for the installation by the city of Stratford of an emergency telephone system, and I have expressed confidence that local authorities will give favourable consideration to this matter, which falls within their jurisdiction.

Mr. Speaker, following the question by the hon. member for York Centre, the hon. member for London Centre (Mr. Peterson) asked me a supplementary question relating to directives which are sent to jail superintendents. As I have already indicated in my reply to the hon. member for York Centre, a reliable checkback system is currently being devised by senior officials of my ministry. In the interim, all superintendents are being required to acknowledge in writing to their regional administrators the receipt of all directives related to the safety and welfare of inmates.

The hon. member for London Centre also asked whether changes had been made in the system under which inmates sent messages to their lawyers and other persons outside the jail. The ministry feels that the present system for handling inmate requests is quite efficient. This system was set up to ensure that action was taken on all reasonable inmate requests and it works this way:

Each request an inmate makes is recorded on a chronologically numbered form, filed, and kept an indefinite period of time. The

time at which the request is received is noted on the form and the inmate signs it to indicate the content of the message is accurate. Premising that the request is not frivolous, action is initiated by staff. When action has been completed, or if a request is denied, the inmate is informed and is required to again initial the request form in acknowledgement that he has been so advised.

One of the difficulties that jail staff encounter is that they are not always able to contact people by telephone on the first try and this sometimes leads to unavoidable delays in passing messages along. I have personally reviewed the request form and I feel that when attempts are made to telephone someone on an inmate's behalf, the times should be recorded whether the calls are successful or not. Therefore, I have instructed that when the present supply of request forms is used up a space will be provided on the new form for recording such information.

In regard to the situation at the Stratford jail on the day of the fire, the point about the message sent from an inmate to his lawyer involved whether or not any sense of urgency was conveyed. I do not think there could be any doubt that a sense of urgency was conveyed to the lawyer, since when he eventually received the message it appears that he immediately telephoned the jail to make arrangements to visit his client.

Mr. Speaker, while I'm on my feet, I have a second reply as well.

Mr. Roy: Good for you, Art.

CONDITIONS AT DON JAIL

Hon. Mr. Meen: On Tuesday, April 12, the hon. member for Hamilton West (Mr. S. Smith) asked me two questions relating to the Toronto jail. He asked for a report on an incident in which it was alleged that an inmate, Mr. Michael McKinnon, was assaulted by staff. He further asked me to comment on a letter written by six inmates in which they claimed that neither they nor visitors to the jail who witnessed the alleged assault were questioned during the investigation which followed.

In view of the fact that this matter is now before the courts, I think it would be prejudicial to discuss it in detail. I think I can say, though, that upon learning of the incident which occurred in the visiting area of the Toronto jail on Sunday, February 20, an inspector from the ministry's inspections and investigations branch was sent to the jail the

following day to conduct an investigation. He interviewed Mr. McKinnon who stated that he did not wish to press charges against any correctional officer, but he reserved the right to do so at a later time if he felt it necessary. He also stated that he did not wish an investigation into the matter.

When the inspector went to interview one of the correctional officers, he learned that that officer had laid a formal charge of assault against Mr. McKinnon. At that stage, the alleged occurrence became a matter for police investigation and, as is normal practice when an official police investigation begins, the ministry investigation was terminated so as to not in any way impede the police investigation.

Miss Callwood also infers that people are locked in these cells 24 hours a day when, in fact, they are locked in them overnight to sleep and released from them early in the morning.

Mr. S. Smith: The minister has missed page two.

Hon. Mr. Meen: Thank you; thank you very much. It was out of sequence in my copy. I appreciate that.

Mr. S. Smith: I am hanging on every word.

Mr. Reid: Surprised you, somebody was listening.

Hon. Mr. Meen: Then for the benefit of Hansard, the last that should be recorded are the words "—impede the police investigation." I'll have to be really on my toes on this one.

The hon. member also asked me for my comment on an exchange of letters between Miss June Callwood and the director of the Ontario Humane Society concerning the size of the cells in the old section of the Toronto jail. I can only reiterate the committal of my ministry to the closure of the old wing of the Toronto jail at the earliest possible moment.

I have met Miss Callwood and discussed the plans of my ministry regarding the opening of the two new detention centres in Toronto within the next few weeks. This will, almost immediately, reduce the count in the old wing by more than 300 persons.

Toronto South Detention Centre, which will house 400 men and 100 women, is well advanced into the planning stage, and with the completion of construction the problems of the old Toronto jail will be relegated to the past.

Miss Callwood states the jail is verminous. I am informed that sections of the Toronto jail are disinfested weekly by a reliable extermination company. The kitchen area, in addition to the weekly programme, receives a special treatment every month. The jail also has a full-time housekeeping officer, trained by the extermination company that is under contract to the jail.

In her letter, June Callwood states that the majority of prisoners in the Toronto jail are, and I quote: "16, 17 and 18 years old." A check of this information reveals that during the period of August 13, 1976, to March 13, 1977, only 12.5 per cent—

Mr. Sargent: Why don't you take it as read?

Hon. Mr. Meen: —of the total male population admitted to the Toronto jail was in the age group of 16 to 18. Miss Callwood also inferred that people are locked in these cells 24 hours a day, when in fact they are locked in them overnight to sleep and released from them early in the morning. They spend all day, and most of the evening, in a day corridor where there are proper toilet facilities, lighting, television and so on.

Secondly, Miss Callwood claims that they are the least dangerous prisoners. The fact that a person is young, or even that it is the first time he has been incarcerated, does not mean, Mr. Speaker, that he is not dangerous nor that he has not been in considerable previous trouble with the law. Some of these individuals are charged with serious offences and others have been denied bail because they are considered too dangerous to be released into the community.

Many of them are unknown quantities. In other words, the jail does not know for sure whether they have serious emotional problems, whether they are dangerous because of excessive drug use and so on, and the jail must maintain them in a secure situation for the safety of the public.

I would agree that the physical conditions, even for overnight sleeping, are far from ideal. The new detention centres in Metro, which will house significant numbers of these people later this year, will have larger cells with proper lighting and toilet facilities.

Mr. Foulds: I wish the Premier had your sense of understatement.

Hon. Mr. Meen: It would be nice to simply close the old section of the jail tomorrow, if that were practical; but I have to say

to you, Mr. Speaker, that it is not. One simply cannot turn people loose who are a potential threat to the rest of society. In other words, to close the old section of the jail one has to have alternative accommodations.

[2:30]

Governments are like ordinary citizens. They have to weigh what they would like to do against what they can afford to do. Ontario has made major strides in upgrading older jails and replacing others with modern facilities. Old jails were taken over by the province in 1968, and already we have closed nine outdated facilities. Three more will be closed this week and two more later this year. The capital cost of the four new detention centres—one which opened in London last week, two in Toronto and one in Hamilton, which will also open this year—is approximately \$60 million. As a government, we have to balance the need for new jails against the need for other facilities and services required by the taxpayer.

HOSPITAL AND NURSING HOME BEDS

Hon. Mr. Timbrell: Today I am tabling—in fact, I have given copies to the assistant clerk of the House—the March, 1977, report of the Ontario Council of Health task force on the distribution of hospital and nursing home beds in Metropolitan Toronto.

Following the announcement last year of hospital closings, my colleague the member for Muskoka (Mr. F. S. Miller) then Minister of Health, asked the Ontario Council of Health to undertake an impartial review of the supply and need for hospital and nursing home beds in Metropolitan Toronto. The Council of Health established a task force under the chairmanship of Mr. W. R. Allen, QC. Both Mr. Allen and Mr. Martin, the chairman of the Council of Health, are in the upper gallery.

The report of this task force is based on the Woods, Gordon report of October, 1976—commissioned by the ministry in July, 1976—which compiled descriptive and analytical data to enable the Council of Health task force to make specific recommendations for the rationalization of beds in Metropolitan Toronto. The data on hospital beds and services used in the study were supplied by the facilities themselves.

The Ministry of Health is in general agreement with the report and its recommendations. It will be apparent from reading the

report that matters of timing, definition and implementation require further study and discussion with the groups or the individuals affected.

The ministry will arrange to meet with the appropriate parties to discuss the application and the implementation of the recommendations. At the same time, ministry review teams will examine the more technical recommendations and advise me on the steps necessary to put them into effect. Once the discussion review process is complete, an implementation plan will be developed for discussion, with those involved, prior to its initiation.

The first recommendation deserving special comment is that a district health council be established for Metropolitan Toronto. The ministry fully agrees with the recommendation but has committed itself to await the report of the Robarts commission on Metro Toronto, which may have a bearing on how such a council is to be established.

The recommendation to establish an assessment placement agency to co-ordinate movement among levels of care, as well as initial access to long-term care and home-support services, is also completely consistent with the intentions of this ministry. It is also, I may say, consistent with the intentions of the Ministry of Community and Social Services which would, of course, also be affected by such an agency. Discussions are under way between our two ministries on the provision of assessment and placement services. Metropolitan Toronto will receive a high priority.

Concerning bed rationalization, the task force recommends that the Salvation Army Grace Hospital cease operation as an active treatment hospital, converting to an alternative use in keeping with the role of the Salvation Army.

At a meeting on Monday, April 4, between Commissioner Harold Brown of the Salvation Army and myself, and the Minister of Education (Mr. Wells), it was agreed that the Salvation Army Grace Hospital would cease to function as an active treatment hospital during 1977; that planning for the development of a new Salvation Army Grace Hospital in Lamoureux would start in the fall of 1977, with operations of the first phase of the new facility to begin in 1982-1983; and that discussion would begin immediately with the downtown Salvation Army Grace Hospital, the Hospital Council of Metropolitan Toronto and the Ministry of Health on the development of a programme of long-term care at this facility, with emphasis on palliative care for

the terminally ill. Some day-hospital facilities will also be provided.

The task force supports the view taken by the ministry in 1976 that an active treatment hospital should cease operation in downtown Toronto. However, the task force recommends that this be the Grace Hospital, whereas the ministry had proposed the Doctors Hospital. It should be recognized that the task force was in possession of the additional data produced by the Woods, Gordon study, and that their recommendations will not yield the operating cost savings the ministry was looking for, savings that had to be realized by reducing other government programmes.

My ministry will continue to fund the Doctors Hospital. We shall, however, pursue the current court case on hospital closings so as to settle the questions of principle concerning the ability of the ministry to close facilities it cannot fund.

Mr. Nixon: What about the other hospitals? What about Paris?

Mr. Speaker: Order.

Hon. Mr. Timbrell: The ministry agrees with the recommendations concerning incentives to encourage health facilities to make better use of their resources. Regulations have recently been passed increasing financial support to hospitals in need of financial assistance to amalgamate duplicated services or to make capital investments that will result in operating savings.

The ministry appreciates the approach taken to the recommendations on paediatric bed rationalization, bed alternatives, emergency services, isolation care and obstetrical care. Work is already under way on these considerations and will be greatly assisted by the advice of the task force.

The ministry will work with the Hospital Council of Metro Toronto, the University Teaching Hospitals' Association and other relevant groups to review the rationale for the task force's proposals for other bed rationalization and the best means and timing of their implementation. This review will also involve careful consideration of the proposals' effects on staff and personnel with representatives of the employee groups affected. We will also consider the recommendation of the Council of Health for a review of the role of Sunnybrook Hospital.

Work is proceeding in the Ministry of Community and Social Services, together with the Ministry of Health, on how best to provide a spectrum of long-term care,

how to rationalize the funding of such care and how to further improve the present co-ordination between the ministries. The task force's recommendations on these points are most useful and will have to be studied by the many agencies already involved in the provision of services involved in the spectrum of long-term care.

Recognition must be given to the role of the member for St. Andrew-St. Patrick (Mr. Grossman) in initiating the concept of this study—

Mr. Foulds: That puts Bill McMurtry on the spot.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Timbrell: —which will have major implications for the planning of institutional health care.

As a review of the membership will indicate, the Council of Health assembled an excellent team to review the Toronto bed-need situation and they have done a first-rate job. Indeed, the results indicate how valuable a role the Council of Health plays in advising the Minister of Health of this province.

Mr. Eakins: Stand up, Larry, and take a bow.

Hon. Mr. Timbrell: The report of the task force was well done and has been well received by the ministry. As the report indicates, further study is required on several recommendations and the appropriate groups will be gathered together in short order. Substantial time will have to be devoted to these studies and to consultation on the more specific and immediate recommendations.

I am pleased with the model this study provides for a review of bed needs in other parts of the province, and I am most encouraged by the comment that the task force agrees it is possible to make modifications in the system without making reductions in service. This will be the constant goal of my ministry throughout the province.

ROAD CONSTRUCTION PROGRAMME

Hon. Mr. Snow: Mr. Speaker, today I will be tabling the Ministry of Transportation and Communications road construction programme for 1977-1978.

This fiscal year we are planning to spend an estimated \$216.6 million on new road

construction. As in the past, construction work has been spread as fairly as possible across the whole province. Most of the proposed new work on the provincial highway system—858 miles—will be on two-lane highways.

Among improvements to northern Ontario highways, which MTC will carry out for my colleague the Minister of Northern Affairs (Mr. Bernier), will be a continuing and accelerated construction programme, including several major new contracts. We will be continuing the passing and truck climbing-lane construction, as well as the development of new access roads and improvements to airports.

Mr. Reid: How about the road between Ignace and Atikokan?

Mr. Speaker: Order, please.

Mr. Reid: The one on which your candidate was going to resign if he didn't get it built.

Mr. Speaker: Order. That can come later, thank you.

Hon. Mr. Snow: In keeping with the Ontario government policy of fiscal constraint, we continue to keep a tight rein on our spending by making a critical assessment of current needs.

Mr. Foulds: What does that mean?

Hon. Mr. Snow: Thus each proposed construction project in this programme has been carefully assessed to ensure that we meet the needs of the motoring public in the immediate future. Above all, we have every intention of maintaining and improving Ontario's highway system to ensure that its present high standard does not deteriorate.

Copies of the green book, which I am tabling with the clerk, will be distributed to each member through the legislative post office.

ORAL QUESTIONS

HOSPITAL CLOSINGS

Mr. Lewis: A question of the Minister of Health: Since the minister regards the Ontario Health Council task force as first-rate and valuable in its contributions to him, and since its assessment of Metro Toronto hospital bed needs and nursing home needs resulted in a significant reversal of government policy, can we ask that he asks this task force, or another constituted from the

council, to review specifically those areas of the province where the ministry may have made other unjustified and precipitate hospital closings before he proceeds further with those small communities?

Hon. Mr. Timbrell: Mr. Speaker, first of all, I point out again that the deliberations of the task force and the council confirm the view of the ministry that, in fact, an active treatment hospital in downtown Toronto should cease to operate as an active treatment hospital.

Mr. Lewis: Somewhat different.

Hon. Mr. Timbrell: Different ones were concluded. I would hope that he also knows that bed-needs studies are, in fact, under way right now in Grey-Bruce under the auspices of the Grey-Bruce district health council; that there have been discussions between members of my staff and the local area planning co-ordinator with people on the steering committee in the counties of Huron and Perth to develop a bed-needs study in those two counties.

I would hope that he knows that last Friday I received a report from the Essex district health council—I went to Windsor to receive the report—as to its views—that is, views of the local citizens sitting on that council—as to what it considers to be the most appropriate rationalization of beds in that county.

Certainly none of those hospitals to which the member alludes are under orders to close. We are most anxious to carry out this process, which we know will be long and involved, but with the co-operative spirit of the local people can be very successful in maintaining levels of service and at the same time hopefully saving some hard-earned tax dollars.

Mr. Lewis: By way of an obvious supplementary, since after the event we have now instituted a series of bed-use studies in those various areas, which could surely lead to a rationalization, if any, preferable to the approach of the government, can the minister undertake to promise the communities involved that whatever the results of the court case may be, he will not close down their hospitals until he has—hopefully never, but if he must—until he has studies from the various areas showing whether there are alternative possibilities?

Hon. Mr. Timbrell: Mr. Speaker, I think that's what I was saying, but perhaps I was a little long-winded about it. I do separate the two issues.

Mr. Reid: That's hard to believe.

Hon. Mr. Timbrell: Being an ex-teacher, he understands. I do separate the two issues, that of the resolution of the principle in the courts, and the other being the specifics of individual hospitals within particular areas of the province; I do separate them. Whatever happens in the courts—well, we'll see what happens, but I do not have any of those hospitals under any orders to close, and certainly—

Mr. Roy: Don't be too optimistic about the courts; your record is not one of shining glamour.

Hon. Mr. Timbrell:—we would hope that the bed-needs studies to which I referred can be carried out as soon as possible, obviously, but certainly involving the input from all those local communities.

Mr. Nixon: Supplementary, Mr. Speaker: Since the minister did not refer to the hospital in Paris specifically in his answer to the question from the Leader of the Opposition, might we assume that the bed needs which have been so obviously established over these many months have now led him to abandon any plan that he might have to put the Willett Hospital in jeopardy?

Hon. Mr. Timbrell: Perhaps I am mistaken, but I believe a number of the beds in the Willett have been converted to chronic care. That's the way the problem was resolved there. Certainly there are no plans and there is no order outstanding on the Willett Hospital in Paris to close.

Mr. Roy: Nothing going on now.

Mr. S. Smith: What a change.

Mr. Roy: You're not going to fool around with hospitals now.

Mr. S. Smith: Not until after the election.

Mr. Duksza: A supplementary: In view of what the minister just said about awaiting the results of studies in Grey-Bruce county, in terms of those two hospitals in Owen Sound, could he tell me how he would explain that the two administrators of the General and Marine Hospital and the administrator of Mackinnon Phillips Psychiatric Hospital are already talking about how to integrate the two hospitals, which would in effect lead to the destruction of one facility?

[2:45]

Hon. Mr. Timbrell: Mr. Speaker, I would hope, since the hon. member is the health critic, that he would know that the board of the General and Marine Hospital a number of months ago agreed in principle to pursue the possibility of an amalgamation between the General and Marine and the Dr. Mackinnon Phillips, which would in effect involve a transfer from the province to a local board of the Mackinnon Phillips Hospital. That's acceptance in principle to investigate.

That investigation is under way. Consultants—I believe the name of the firm is E.H. and E. or E.H.E., whichever way they say it—have been meeting with staff and trustees, administrators and so forth, and I would expect we'll have something from them in the next two or three months. But certainly, as far as I know, the board has not in effect said that they are definitely merging with Mackinnon Phillips. They are as interested as we are in investigating the potential, obviously with the view that we must maintain the quality of health care in the area, and hopefully save not only operating dollars now but future capital dollars. The Mackinnon Phillips hospital, I think, is only about 20 years old and has quite extensive capacity.

Mr. Sargent: Supplementary: Knowing full well about the merger of the two hospitals in Owen Sound, the minister is playing political football there. It's a patchwork job. What is the timing at this time and place that he should release the Doctors Hospital before an election and yet can't make a decision for Durham and Chesley at this point?

Mr. Lewis: They need to save the seat.

Mr. Mancini: They want to save a seat.

Hon. Mr. Timbrell: I don't know anything about the event alluded to by the hon. member, but—

Mrs. Campbell: You wouldn't know that that is a Tory riding, would you?

Hon. Mr. Timbrell: —it's certainly not a question of a political football.

Mr. Roy: Oh, no.

Mr. Singer: No, no.

Hon. Mr. Timbrell: I'm pleased the member raises it, since it's the first time he has raised it with me since I became Minister of Health. As I understand it, there is considerable additional capacity—

Mr. Sargent: You never know the answers.

Mr. Speaker: Order, please.

Hon. Mr. Timbrell: There is additional capacity, considerable capacity, available in the Mackinnon Phillips Hospital, which is a fairly modern facility when compared to the existing General and Marine, which has had a number of additions and a number of problems at the various levels.

Mr. Sargent: Thirty beds; you are talking about 30 beds.

Hon. Mr. Timbrell: I think it speaks well of the board of that local hospital, the General and Marine, that they would agree, along with the ministry, to investigate the potential of combining the two and thereby saving the public the great deal of money which would be involved in eventually replacing the General and Marine if that had to be done.

Mr. Sargent: Supplementary again.

Mr. Speaker: Order, please. We can't take the time of the question period to go around the province with each and every hospital. The hon. Leader of the Opposition.

Mr. Sargent: I am talking about Durham and Chesley.

Mr. Reid: You don't have a hospital in your riding, do you?

Mr. Roy: There will be only 22 supplementaries.

Mr. Speaker: Order. The hon. Leader of the Opposition.

Mr. Lewis: I have one last supplementary which is almost for clarification, if I may ask it. In his statement the minister artfully changed the words on page six which suggested clearly that Doctors Hospital would be funded regardless of the outcome of the legal appeal, and in his words to the Legislature he said, "my ministry will continue to fund the Doctors Hospital. We shall, however, pursue the current court case." Will the minister give a commitment to the continued funding of Doctors Hospital regardless of the legal appeal?

Hon. Mr. Timbrell: I thought, Mr. Speaker, that the revised wording did, in fact, make that clear.

Interjections.

Mr. Speaker: Order, please. The hon. minister is answering.

Hon. Mr. Timbrell: I had hoped that the revised wording made it clear; certainly that is the point.

As I said earlier, I separate the two, the question of the court proceedings and the individual hospitals, and certainly they will continue to be funded.

Mr. McKesock: Supplementary: In view of the fact that he took the needs study in Toronto, and in view of the fact that there's just been a health council set up in Grey and Bruce, why couldn't the minister drop the court appeal on these hospitals in our area and take the advice of the newly-formed health council, the way he has taken advice in Toronto?

Mr. S. Smith: They should have done so in the first place.

Hon. Mr. Timbrell: Mr. Speaker, I am looking for the advice of that district council, and as I have already indicated in answering a question from the hon. Leader of the Opposition, I separate the two questions. The one is a very fundamental one—no matter which party or which individuals happen to occupy the Treasury benches—that is does the government have the right to cease to fund a programme or facility which it cannot afford to fund? That really transcends—

Mr. Singer: Why don't you amend the statute?

Mr. Speaker: Order, please.

Mr. Roy: Just amend your laws.

Mr. Singer: Change the statute.

Mr. Roy: That's free legal advice.

Mr. Bullbrook: That's what it's worth.

Hon. Mr. Davis: One day you would support it and one day you wouldn't.

Hon. Mr. Timbrell: I learned a long time ago, growing up in Frontenac county, what to think of free advice. It's worth about the same.

Mr. Nixon: Don't talk about your mother that way.

Hon. Mr. Timbrell: The point is there are no orders hanging over any of the hospitals in Grey-Bruce. We are working with the district health council, we will have local input. Local people on the district health council will review that input and will give their advice as to what they consider to be

in the best interests of the health districts of Grey-Bruce.

Mr. Bullbrook: The law suit is redundant. The Premier knows it.

POINT OF ORDER

Mr. Riddell: On a point of order, Mr. Speaker, I have a hospital that is directly affected by the decision made by the former Minister of Health (Mr. F. S. Miller), and now this ministry.

Mr. Speaker: Order, please. We are straying, we are going around the province. We are taking up too much time in the question period. The hon. member may have a chance to ask his question later.

Mr. Nixon: It is the last one, it is the last hospital.

Mr. Speaker: I said this was the final supplementary a moment ago and that must stand.

Mr. Singer: The Legislature is supposed to go around the province.

Mr. S. Smith: We only have 35 Liberal members, so where else can there be hospitals to be closed going around the province?

Mr. Renwick: Mr. Speaker, on a point of order, the member didn't have an opportunity to make his point of order.

Mr. Speaker: Yes, he did. I heard the point of order.

Mr. Bullbrook: He didn't make it.

Mr. Speaker: Order, please. It is not debatable. We have to get on to a new question now.

Some hon. members: Why?

Mr. Sargent: It's important to get the Premier off the hook, that's why.

Mr. Singer: We shouldn't go round the province because we're only a Legislature.

REED PAPER

Mr. Lewis: A question of the Premier: Flowing from the Throne Speech, can he indicate when he intends to bring down the revised terms for the Patrick Hartt inquiry, and perhaps clarify a little more precisely what those revised terms will do, since it still seems to be a matter of some uncertainty?

Hon. Mr. Davis: Yes. Actually there were discussions on this as recently as 10:30 or 10:45 this morning. The matter is being very actively pursued by a number of people, including those that I undertook to consult with an that includes Chief Rickard.

I am hoping to have some reaction within a few days to the suggestions that were made as recently as this morning, and hopefully make a statement or an announcement to the House very soon thereafter. I think it is fair to state that Chief Rickard, the municipalities and others, but particularly Chief Rickard, have certain consultative processes they must go through. I understand from what Chief Rickard told me this morning that his consultative process would be under way in the next couple of days.

Mr. Lewis: Supplementary: As part of the consideration which the Premier is giving, is he proposing an inquiry which extends beyond the proposed or intended Reed Paper limits to matters of northwestern development rather more generally?

Hon. Mr. Davis: As I indicated in the House when we were discussing this matter before, there were, I guess, a number of issues. To try to simplify it, there is the issue of the specifics of Reed; there is the broader issue that Chief Rickard raised, in correspondence and in personal visits I have had with him, as to the general development programme or policy that might be developed for north of the 50th parallel. What we are endeavouring to do, in the situation as we are attempting to bring it together, is to find ways and means of perhaps encompassing both notions at one time. I am not sure this will turn out, but we are trying to do it under the one inquiry; or the one commission, shall we say.

As I say, I can't really discuss with the Leader of the Opposition the specifics yet, because I have made these undertakings to the people who are very directly affected to give them an opportunity to see whether or not it suits their concept of it or their view of it. As soon as I have this information I will be more than pleased to share it with the House.

Mr. Bullbrook: Supplementary: Premising the Premier's agreement with me that these terms of reference might be as significant as any ever drafted by his administration, and recognizing that he is taking into account the thoughts of people outside this chamber, would he possibly consider having liaison with the members of the opposition parties with respect to the drafting of the final terms

of reference, if they are not going to be included in the statute?

Hon. Mr. Davis: I am sorry, I didn't get the last part of the question.

Mr. Bullbrook: If I may, it's my understanding that perhaps the terms of reference might be included in the amending statute, in which case we'd have the opportunity of debating same. If not, would the Premier take us into his confidence, may we be privy to the general terms of reference—Chief Rickard's lack of acceptance of same? May we have some opportunity for input?

Hon. Mr. Davis: Mr. Speaker, my problem here is I am not sure which will come first; the legislation or the terms of reference. I am quite prepared that when the legislation is here, if the terms of reference have been, shall we say, understood and agreed to by the parties which are particularly interested—and that doesn't mean others aren't, but who have a particular interest—if there is, shall we say, a consensus on the terms of reference at that point then I am quite sure the minister, or whoever, would be quite prepared to have those discussed at the time of the legislation; but I think it is fair to state, and the member would understand this, not as a part of the legislation. I mean, they would be specific terms of reference that would follow from the legislation.

Mr. Bullbrook: One short supplementary: Would the Premier not agree it's asking a lot of the legislators to enact that amendment, which is going to be significant, without knowing what the terms of reference are?

Hon. Mr. Davis: No. Mr. Speaker, although on occasion I agree with the member for Sarnia, I think the amendments to be legislation, while vital to this matter, can be debated in terms of principle and in terms of particulars by this House without the terms of reference. I think it is quite conceivable that we could have a situation where the government felt these amendments were desirable without necessarily having, shall we say, a study or a commission immediately in the offing and we would be dealing in the ordinary fashion. I would be very surprised if the member for Sarnia won't be able to understand it and deal with it and debate it just as effectively in this fashion. I would be very surprised if he can't.

Mr. Foulds: Supplementary: If the terms of reference have not been worked out and are not close to completion at this time, does Mr. Justice Hartt still think it possible to begin his informal public hearings in July,

as was reported by a former Conservative candidate from northwestern Ontario?

Hon. Mr. Davis: Mr. Speaker, I am always an optimist and I think it is fair to state that Mr. Justice Hartt feels—assuming that the legislation is approved with enthusiasm and no prolonged delay by members opposite, and in the hope that we can reach an agreement on the terms of reference in the very near future—that he could start even prior to July.

Mr. Reid: A supplementary to the Premier for clarification: First of all, I take it from his statement and from talking to Mr. Justice Hartt that the inquiry, whatever the terms of reference are and under whatever statute it happens to be, will relate strictly to development north of the 50th latitude and not to that section of Ontario that we might call politically northern Ontario; only that north of the 50th latitude? Can I ask the Premier's assurance that other development projects, perhaps not on the scale of the Reed Paper proposal, will in fact come under the scrutiny of Mr. Justice Hartt and have to go through this kind of scrutiny before they go ahead?

Hon. Mr. Davis: Mr. Speaker, I can't really tell the hon. member at this point. It is one of the areas I am sure the chief will be wishing to discuss with his colleagues. The general intent is that it be the 50th parallel north, which then, I think, would probably resolve any thoughts the hon. member had with respect to potential development south of the 50th parallel. We don't know of any at this moment. There may be the potential of one or two. I would think Mr. Justice Hartt in his assessment probably would be taking them into account, I don't know; I honestly can't tell the hon. member until I hear back from those parties involved in the discussions.

[3:00]

CONDITIONS AT DON JAIL

Mr. S. Smith: A question of the Minister of Correctional Services, regarding the Don Jail: Notwithstanding the reports that the old section of the jail will be closing in some year's time, can he tell what action his ministry is taking to correct the deficiencies—an alleged three-page list of deficiencies at the jail—identified by the Toronto Fire Department? These deficiencies included, I believe, the installation of an electronic warning system, automatic sprinklers and so on. Will the

minister assure the House that the supposed eventual closure of the jail won't be used as an excuse to leave it as a fire hazard.

Hon. Mr. Meen: To the extent that it is necessary that modifications or rectifications should be made, the question would more appropriately be directed to my colleague, the Minister of Government Services (Mr. J. R. Smith), since that end of things is under his responsibility—with the possible exception of the hazards created by a blocked corridor. This was brought to our attention, among other items in that report; and being one of my ministry's responsibilities as a tenant of that building I have corrected that problem. I've instructed that the problem will not arise again.

But may I just repeat that as to the other items, I believe the question should more properly be directed to the Minister of Government Services.

Mr. S. Smith: May I just say that if a tragedy like Stratford were to occur, the minister would have to answer for it.

Mr. Speaker: The hon. minister has re-directed the question.

Hon. J. R. Smith: To the hon. member for Hamilton West: First of all, this inspection was made, at the request of the Ministry of Correctional Services, by the Toronto Fire Department. In its report regarding the first section, which involves the permanent stand pipe system, items (a), (b) and (c) have been completed; and the Toronto Fire Department has advised that item (d) is a heated area and no relocation was necessary.

In the new building, the check valve is being relocated to comply with the report. We are presently investigating the reasons for the drop in pressure to the booster pump; the manual operation will be discontinued, the fault has been found and corrected. Does the member wish me to go through them all?

Mr. S. Smith: That's very interesting. All I want to know is, whether the ministry is going to comply with the whole report or not?

Hon. J. R. Smith: Yes, we are complying with all of the shortfalls, the needed improvements. The ministry's electrician has been in poor health and our ministry has supplied another electrician this week so that this work can be carried on.

Mr. S. Smith: Thank you very much for that answer.

TRADE MISSIONS

Mr. S. Smith: A question for the Minister of Industry and Tourism: Has the minister any studies available to indicate whether or not Ontario has been getting its money's worth for the \$2.3 million that his ministry has been using to promote overseas trade? I ask this in view of the recommendation of the Treasurer (Mr. McKeough) that this programme be scrapped?

Hon. Mr. Bennett: First of all, I think it would be well to correct the fact that it was not the Treasurer's remark that it should be scrapped; that was an interpretation placed upon it by a reporter. As for the exact comment in relationship—

Mr. Nixon: The Treasurer never denied it.

Mr. Sweeney: Those reporters are having trouble these days.

Hon. Mr. Bennett: Well they do run into a bit of trouble with some of the members of the opposition as well.

Mr. Sweeney: Trying to understand what you guys are saying.

Hon. Mr. Bennett: I am misquoted.

Mr. Roy: Now that you're married, Claude, you're not supposed to be aggressive.

Hon. Mr. Bennett: Albert, let me tell you, I have a peaceful mind, even dealing with you, I can assure you of that.

Mr. Roy: Claude, can I ask you a question?

Hon. Mr. Bennett: Ask the question. If it's what I think it's going to be—no, I am not of the same—oh, I won't say it, Albert; obviously, we'd wind up in the wrong place in Ottawa.

Mr. Speaker: Would the hon. minister answer the first question, thank you.

Hon. Mr. Bennett: Yes, I'll come back to answering the question.

We do have some reports that would indicate the potential we derive from the trade missions sent abroad. They are taken over a period of three years at intervals of six months, being a report from each of the corporations involved in the mission.

Mr. S. Smith: Do I take it that the minister is quite satisfied with the studies he has been receiving month by month, or semi-annually or whatever, and intends to continue this programme on behalf of Ontario?

Or does he agree with the quotation, attributed to the Treasurer, saying that the only reason for that programme was, "when we got into that there was a strong feeling that an industry thinking of coming to Canada was going to be given every incentive to go any place but Ontario"?

Hon. Mr. Bennett: First of all, I understand the leader of the Liberal Party has said the quotation was attributed to the Treasurer, and, in my discussion with him yesterday, he did not make the statement. Let me go one step further to say that the Treasurer is aware of the productivity of these missions. We also see very clearly the potential in expanding the trade opportunities, in looking for new ventures of capital investment in this country from foreign lands; that's the area where we'll be directing our efforts. I have said to the member of the Liberal Party, who happens to be the critic in this field, that this is the area we'll be working on and concentrating on more over the next 12 months.

Mr. Sargent: Supplementary: Regarding the minister's Cara venture this afternoon to export grains to the United States, how much is that costing and how many jobs are going to result?

Hon. Mr. Bennett: First of all, I take it that what the member's referring to is the conference that we have going on at the Cara Inn at this very moment—

Mr. Sargent: To export grains?

Hon. Mr. Bennett: —which is being held in conjunction with the Consulting Engineers of Ontario and the Ministry of Industry and Tourism. If there's one area that is lacking in this government—and not only in Ontario but in Canada—it is in co-ordinating the industrial efforts to look for new opportunities in foreign lands. We in Canada have not been able to put together turnkey projects that have been beneficial for this province, and indeed for the economy of Canada.

Mr. Sargent: Sure you have.

Hon. Mr. Bennett: What we are attempting to do today is to get a better understanding by the professional people in Ontario, along with my ministry—and may I also say that the federal government is represented at this conference—in the hope that we can find a better understanding so that we can co-ordinate the professional services in seeking out foreign opportunities and rewarding this province with new jobs and new business for industry. It will not be accomplished—and I am very emphatic about this—because for too

long it has been kicked about at the federal and provincial levels; for too long we have allowed the private sector to wander off and be very competitive unto themselves in foreign markets—

Mr. Foulds: Where's your feeling for free enterprise?

Interjections.

Mr. Speaker: Order.

Hon. Mr. Bennett:—rather than somebody being the catalyst in the country of Canada in bringing those professions together so that we can secure them.

Mr. Nixon: You tell us what you thought. The Treasurer's not going to like that either.

Hon. Mr. Bennett: I think the Urban Transportation Development Corporation, in its efforts in the Venezuela contract, is a very fair example of what we can achieve.

Mr. Ferrier: Don't you believe in free enterprise?

Mr. Sargent: How are you doing in Venezuela?

Hon. Mr. Bennett: It doesn't mean to say we're going to win every contract, but at least Canada will have a very positive position, with a one-price position, and not be competitive unto ourselves.

Interjections.

Mr. Speaker: The hon. member for Peterborough has the floor.

RAYBESTOS-MANHATTAN

Ms. Sandeman: A question for the Minister of Labour, Mr. Speaker: Have the directives which were issued to Raybestos-Manhattan after the high levels of asbestos fibres were recorded there in November been carried out; and have the affected areas and the affected personnel yet been retested?

Hon. B. Stephenson: It is my understanding, Mr. Speaker, that the affected areas were retested last week and the inspection was carried out. I have not seen the report but I shall get the results and report on it to this House.

Ms. Sandeman: Supplementary: In the view of the fact that the union were never made aware of the last test results, could the minister assure me that they will be made

aware of the directives, any action that follows and the new test results?

Hon. B. Stephenson: It's the policy of the ministry to provide that information to both the employer and the employees in those situations, Mr. Speaker.

Mr. Laughren: Since when?

An hon. member: That's a joke.

An hon. member: Then why don't you do it?

ENERGY DEVELOPMENT

Mr. Reed: I have a question for the Minister of Energy: Now that the President of the United States has underlined the gravity of his country's energy situation, and recognizing that Ontario shares many of our neighbour's specific problems in this regard, is the minister now prepared to change his position and call for an all-out research and development programme to bring on stream a significant renewable energy component before the end of the century, and not after as stated in his policy paper of last week?

Mr. S. Smith: And to drive a mid-size car?

Interjections.

Hon. Mr. Taylor: I gather that by now, Mr. Speaker, the hon. member has had an opportunity to read the energy future report.

Mr. Sargent: We can't; we couldn't understand you.

Hon. Mr. Taylor: I think that report indicates very clearly the position of this province in terms of our energy future. It's a report, I think, that was echoed in many regards by President Carter in his television address last night.

Mr. S. Smith: Oh, come on!

Mr. Roy: He copied it.

Mr. S. Smith: He must have seen your statement.

Mr. Nixon: He doesn't make a move without consulting you.

Mr. Speaker: Order, please. We're wasting valuable time. The hon. minister has the floor.

Mr. Sargent: Now we've got a comedian.

Mr. Speaker: Order!

Interjections.

Mr. Singer: What would you do?

Hon. Mr. Taylor: I didn't say that I had given President Carter an advance copy, I didn't indicate that.

Mr. Roy: Did he pick up the phone?

Mr. Speaker: Order.

An hon. member: What did he-all say to you?

Hon. Mr. Taylor: I suppose there is a grapevine, but I must confess that I didn't see that he got an advance copy of it.

Mr. Roy: You are starting to talk like Trudeau, with your hands.

Hon. Mr. Taylor: Then maybe I'll meet more with your favour.

Mr. Roy: You may.

Mr. Warner: You are getting worse every day.

Mr. Ruston: Ask him to resign.

Hon. Mr. Taylor: In terms of research and development, as members know we are very dedicated to that.

Mr. Sargent: You have got your Premier embarrassed.

Hon. Mr. Taylor: We have hoped to participate more fully in the federal government's programme. Again, as members know, it is spending about \$138 million a year in research and development. About three-quarters of that is actually in the nuclear area—

Mr. Bullbrook: Can't we get a straight answer from him?

Hon. Mr. Taylor: —and Ontario's benefitting in a very minor way from that overall research and development effort. We are concerned, of course, that it's Ontario's consumers who are paying very big dollars in terms of prices for oil and natural gas, and that more of that money should go into research and development. I agree with the member there, if he concurs that more money should be going into research and development.

Mr. S. Smith: This is a form of punishment for asking a question.

Hon. Mr. Taylor: Certainly in my budget we are pursuing further projects. I think members are acquainted with a number of

the projects that we have going for us in Ontario.

Mr. Bullbrook: Don't let anybody ask for a supplementary.

Hon. B. Stephenson: That will teach you.

Hon. Mr. Taylor: I think members will become more acquainted, of course, with the positive programme that we do have. We are committed, I think I've made that clear in terms and emphasis.

Interjections.

Mr. Speaker: Order, please. We're wasting time here.

Interjections.

Mr. Speaker: I didn't say who.

Hon. J. R. Smith: This is an important question.

Mr. Moffatt: On a point of order—

Mr. Speaker: Order. Just one moment please. When we ask a general question we're going to get a general answer, I might point out.

Hon. J. R. Smith: A good answer.

Interjections.

Mr. Speaker: Order, please. Has the hon. minister completed that question?

Hon. Mr. Taylor: No, not quite, Mr. Speaker.

Mr. Speaker: Order, please. We should not ask a question of this nature in the first place, nor should the answer contain a complete discussion of anything. That should be left for some—

Mrs. Campbell: Mr. Speaker—

Mr. Speaker: Order, please. Members are straying too far afield. Will the hon. minister bring his answer to a conclusion then, please.

Hon. Mr. Taylor: All right. As you know, Mr. Speaker, it's a—

Mr. Ruston: Just read the last paragraph, Jim.

Mr. Speaker: Order, please. Does the hon. member for Durham East have a point of order?

Mr. Moffatt: Yes, Mr. Speaker. My point of order is, could we have the lights turned off while the minister makes his statement?

Mr. Speaker: The answer is no and that is not a point of order. That's further wasting of time.

Interjections.

Mr. Speaker: Order, please. We're still wasting time. Order. The hon. minister, please.

Hon. Mr. Taylor: Mr. Speaker, I do hope that both energy critics are serious about this, because it is a matter of great concern and gravity—

Mr. Sargent: Did you really talk to Jimmy Carter?

Hon. Mr. Taylor: —not only to the province of Ontario but to Canada. I want the hon. member to know that we are pursuing even more vigorously the areas of renewable energy sources, and I'd be very happy to develop that more fully at some other time.

Mr. Speaker: We'll allow one supplementary.

Mr. Reed: Does that mean the answer is yes or no?

Mr. Ferris: Maybe.

Mr. Speaker: Order. Was that a supplementary? I didn't hear it.

Mr. Reed: Yes, that was my supplementary. [3:15]

Hon. Mr. Taylor: That question elicits a rather lengthy response—

Interjections.

Mr. Speaker: Perhaps the hon. member might mail it.

Interjections.

Hon. Mr. Taylor: Mr. Speaker, I think this is a very serious problem. I don't think it should be treated lightly.

Mr. Speaker: It is a very serious problem.

Interjections.

Mr. Speaker: Order, please. We are taking too much time on this question. There are many more questions to be asked. I don't know what that particular supplementary was, but is there a brief answer to it?

Mr. Roy: Yes or no.

Mr. Speaker: Order, please. We will get on then.

Mr. di Santo: I have a further supplementary.

Mr. Speaker: This is a final supplementary.

Mr. di Santo: Final supplementary. In the effort to develop other sources of energy, can the minister tell us: 1. To whom will the technology developed with the Syncrude plant go, and what part will go to the province of Ontario? 2. Will he take a public position on the northern pipeline which will cost a lot to the province of Ontario as well?

Mr. Speaker: I think we are getting into specific questions here. Order, please. The next question.

HIGHWAY 61

Mr. Angus: Mr. Speaker, a question to the Minister of Transportation and Communications with regard to the recent tender call for work on Highway 61 in Thunder Bay, 7.9 miles easterly from Highway 130: Inasmuch as this highway was reconstructed in 1970 and that deterioration was noticeable within the first two years following construction, would the minister undertake a comprehensive soils investigation of all the frost boils and shifts in the roadbed to see if the appropriate backfill was used in the reconstruction of 1970?

Hon. Mr. Snow: Yes, Mr. Speaker.

Mr. Roy: Good boy. Way to go, Jim.

Mr. Angus: A very quick supplementary, Mr. Speaker, very short; we thank you. Would the minister also have his staff examine the inspection records to see what kind of instructions were issued to the field staff regarding the type of backfill that was to be used?

Hon. Mr. Snow: I am not personally aware of all the figures and the dates the hon. member is quoting regarding this particular situation. If the facts as he states them are correct, certainly I will look into the matter and get the answers to those questions. I would be equally as concerned as he is if a road is having to be repaired as extensively as this one is in such a short period of time, and I want to know the reason why.

Mr. Foulds: Supplementary, Mr. Speaker: If the minister's investigation finds the terms of the first contract were not adequately met, can he recover the costs of the rebuilding from the original contractor in 1970 and will he attempt to do so?

Hon. Mr. Snow: That I would have to look into. I would doubt that very much. There is a certain guarantee period on any work, but once the final takeover of a job occurs, once our inspectors give it final approval, I don't think we can go back eight or 10 years and expect the contractor to be responsible. But I will certainly look into the matter.

ESSEX COUNTY FRENCH SCHOOL

Mr. Ruston: Mr. Speaker, I have a question of the Minister of Education and I would like the Minister of Government Services to listen: Is the minister aware that the teachers' college located in Windsor, which was built about 10 years ago and designed at that time to be used eventually as a secondary school, might be available for a possible site for the French-language secondary school? Is the minister also aware that the building is owned by Government Services and that the present lessee, the University of Windsor, would like to move back closer to the campus?

Hon. Mr. Wells: I am aware the building is there and that it at present is either being leased by or belongs to the University of Windsor. It is the faculty of education; it is not a vacant building. I think there is very little likelihood this government has any capital money for the University of Windsor to build any new buildings of that nature. It is a possibility that if the building were vacant, it would become the French-language school for the area after the member has an opportunity, with the rest of us here, to vote for the bill we have in this Legislature. If it is available then, he can come and talk to me about it.

Mr. Ruston: Supplementary: Since the Minister of Health (Mr. Timbrell) made a recent statement about how he wants to save money, it seems to me that if the University of Windsor feels it can do with much smaller facilities, to move back in its own area so that its cost of operations would be less, would be a logical thing to do.

Hon. Mr. Wells: The point then is for the University of Windsor to come to us and say we can have that building back and that it will give it to us. It would then have to be considered by the French-language advisory committees of the Essex and the Windsor school boards. If they found it was a suitable facility for a unique, French-language secondary school, it could possibly be used, if they wish. But I would suggest the likelihood is

very remote, and I'm sure the possibility has been thought of before.

Mr. Burr: Supplementary: Has the minister explored the possibility that Massey Secondary School in Windsor could be used for this purpose, inasmuch as it has a great many big classrooms? Essex county students were withdrawn from that building, which had been originally designed to accommodate Essex county secondary school students.

Hon. Mr. Wells: As my friend knows, it hasn't really been the duty of the minister to explore all these possibilities; it has been the responsibility of the elected Essex County Public School Board.

Mr. Breithaupt: Perhaps they would be happy to look at them now.

Hon. Mr. Wells: I would have to assume they have done all these things and have investigated all these possibilities, working in conjunction with their French-language advisory committee, and for one reason or another have not come up with any acceptable solution to this problem. Therefore, unfortunately, we find it here with us today and this week.

Mr. Breithaupt: Supplementary: Would the minister ensure that they explore this?

Mr. Speaker: I said that was the final supplementary.

Mr. Shore: Get another location.

Mr. Roy: It may save the minister some money, and he's not smart enough to know it.

IMMUNIZATION PROGRAMMES

Mr. Philip: A question for the Minister of Health: In the light of recent increases in such diseases as diphtheria and measles, is the minister concerned about the recent action taken by the Peel regional health unit to discontinue the immunization programme in schools, and about other programmes similar to this that have been discontinued in the province? What action is the minister contemplating?

Hon. Mr. Timbrell: We have met with the health unit in Peel on a number of occasions—at least half a dozen times in the last few months—and I think we're getting that problem resolved. What it comes down to is that, according to the last report I had, the unit cost of the immunization programme being operated by the Peel health unit is higher

than what it would cost to have it administered in a doctor's office.

That, I suggest, is symptomatic of the fact that perhaps the public is apathetic or lethargic about the whole question of immunization. It does have to do with the volumes of immunization which we certainly encourage—the regular initial immunization and follow-up. That problem, I believe, is well in hand and being resolved between the staff in my ministry and the Peel health unit.

Mr. Philip: Supplementary: Accepting the fact that the cost per unit may be higher under OHIP, has the minister examined the incidences of those people who are not getting immunization, since there seems to be an increase in diseases in the province?

Hon. Mr. Timbrell: If the hon. member were to look at the epidemiological reports, which do come out regularly and cover a wide range of diseases, all the way from such exotic things as typhus to measles, he would find that the facts bear that out. But certainly it is a concern that people tend to think that with advancements in the last 20 years a lot of these problems are solved, and of course they're not solved unless regular immunization and re-immunization are carried on.

INDUSTRIAL WASTE DISPOSAL

Mr. Gaunt: A question of the Minister of the Environment: Can the minister tell us what the policy of the government is regarding the disposal of liquid waste into disposal wells, in view of the fact that there are applications before the ministry to reopen two of these wells in the Sarnia area—the Tricil well in Moore township and the Thompson well in Petrolia?

Hon. Mr. Kerr: The policy is that if there are any applications of that nature to open old wells, the ministry will appraise the applications. If there is any possibility that the wells can be utilized they would then, under the provisions of The Environmental Protection Act, go before the Environmental Assessment Board. There would be a public hearing and a decision would then be made whether or not those wells would be open again.

Mr. Gaunt: Supplementary: Has the ministry made any advances with respect to promoting the recycling of these industrial wastes?

Hon. Mr. Kerr: Yes. For example, the Tricil plant in Mississauga is involved in

recycling spent fuels such as waste oil and toxic materials of that kind.

TRAINING SCHOOL TEACHERS

Mr. Davidson: A question to the Minister of Correctional Services: Can the minister give us the rationale behind the terminating of the contracts of at least 16 teachers in the juvenile division of his ministry? Does he not feel that rather than terminating the teachers' contracts, there should be upgrading of existing programmes and support given in other areas?

Hon. Mr. Meen: There's been a marked reduction in the number of children in the training schools, to such an extent that we really did have to take a look at our whole picture of the number of students versus the number of teachers, and our present constraints in the juvenile division.

Teachers work under the Provincial Schools Authority, and their working conditions agreement calls for the notice of redundancy to be declared before March 31 of each year. If we had not taken this action, we would have been locked in for another year. Therefore, we did notify 16 teachers of the fact that, as we saw it, their positions were redundant.

But we would expect the Provincial Schools Authority, in negotiating with these teachers—and with others who have been made redundant—will take into consideration vacancies that will occur over the next few months because of the retirement of others from the system, which will mean that very few—possibly three or four—will, as my people expressed it, drop out the bottom. The rest of the 16 can be expected to find positions within the teaching service.

But we think the ratios as established with the declaration of redundancies and the readjustment of their positions will still provide the very best facility for these young people in the system.

Mr. Davidson: Can the minister then explain why, since only six months ago a recommendation was called for to put additional teaching staff in the Champlain school at Alfred, Ontario, it is now cutting back? The possibility of having to drop some of the existing subjects is there. Is the minister also aware of the fact that they may have to drop teaching at the elementary school level in that school, where at the present time they are teaching eight students?

Hon. Mr. Meen: I am not aware of any reduction in the provision of teaching in that school.

Mr. Foulds: It is happening all over the province.

Hon. Mr. Meen: There certainly has been a reduction in the number of students at the school, but I am not aware there has been any reduction in the provision of the courses to the students who are at the school.

Mr. Speaker: Order, please. A final supplementary from the member for Peterborough.

Ms. Sandeman: Could the minister tell us if he discussed the staff reductions with the Minister of Community and Social Services (Mr. Norton), in view of the fact that on July 1 the staff of the trade schools will come under that minister's jurisdiction? It would seem wise that he would take part in discussions if he is to receive on that date a very depleted staff.

Mr. Moffatt: Nothing left.

Hon. Mr. Meen: The answer is yes, I did discuss this with the minister before these steps were taken in March. It was necessary that they be taken before the end of March, as I have already indicated. But that does not mean the Ministry of Community and Social Services, which will have the responsibility for this very important function beginning July 1, will be locked into any fixed position. The notices simply indicate redundancy, and if he sees fit to make adjustments in that position between now and September 1 when the teaching would recommence, then he has the full latitude to do so. All that we have done has been to advise the Provincial Schools Authority that in our opinion these positions are redundant.

[3:30]

OHTB BUS LICENCE

Mr. Cunningham: Mr. Speaker, I have a brief question for the Minister of Transportation and Communications. Would the minister assure the members of the House that he might consider sharing with us the report of the Highway Transport Board concerning the Greyhound-Gray Coach matter, which is currently under review by that board, at the time that it is presented to the cabinet?

Hon. Mr. Snow: Mr. Speaker, I assure the hon. member that I have not received the report that he refers to from the Highway Transport Board, and I don't believe it will be ready for a little while yet because of the—

Mr. MacDonald: That wasn't the question.

Mr. Speaker: Order, please.

Hon. Mr. Snow: He's asking me to share with him a report which I don't have, I'm sorry.

Mr. S. Smith: The question was, will you make it public when you get it?

Mr. Cunningham: Mr. Speaker, if I could clarify it for the minister, I asked, would he share it with us when it is available.

Mr. Sargent: Why don't you phone Eddie Goodman and find out?

Hon. Mr. Davis: Why don't you phone him?

Mr. Foulds: He doesn't expect to be the minister.

Mr. Speaker: Order, please. Yes, the answer was, will he share it—the question, that is.

Hon. Mr. Snow: Mr. Speaker, this is a report that has been requested by cabinet to deal with the appeal on this particular case, and as soon as I receive the report I'll give that consideration.

Mr. S. Smith: Supplementary: Will the minister not agree that the knowledge that this particular report will be given public circulation as soon as it is completed might just happen to have some influence on the content of the report? Therefore, would he not agree to guarantee right now that the report will be made public as soon as he receives it?

Mr. MacDonald: He should.

Hon. Mr. Snow: Mr. Speaker, I cannot give the hon. member that assurance at this moment. I can assure him the report will be made public, but I can't give him the assurance it will be made public the moment I receive it.

Mr. Deans: Freedom of information.

Mr. S. Smith: That's a publicly financed board, it's a quasi-judicial body.

ALEXANDER JACQUES

Mr. Bounsall: Mr. Speaker, the Minister of Health having just recently left the House, I will instead address this question to the Minister of Labour. Would the minister investigate personally and immediately with the Minister of Health why the Ministry of Health continually refuses to find and offer light duty employment to one Alexander Jacques from the Oshawa area— a former employee of the ambulance services branch, now with a 20 per cent disability rating due to a back injury incurred with that ambulance branch—when there do exist light duty, even driving positions right within that same ambulance branch? Will she investigate why, with Mr. Jacques being impressively and articulately bilingual French-English, this particular talent is not being put to use in the area of the extension of health services in the French language across Ontario, as recommended by Monsieur Dubois in his recent report, *Pas des Problèmes?*, released five months ago?

Hon. B. Stephenson: Mr. Speaker, yes.

Mr. Nixon: I will look into it.

Mr. S. Smith: Oh, that's unbelievable. Write him a letter.

Mr. Spence: Mr. Speaker, I have a question for the Minister of Community and Social Services. I guess he's gone.

Mr. S. Smith: Ask the Provincial Secretary for Social Development (Mrs. Birch).

Mr. Speaker: We'll hear the member for Erie then.

INJURED PERSONS' BENEFITS

Mr. Haggerty: Mr. Speaker, I'd like to direct a question to the Minister of Labour. During the Ministry of Labour estimates, the standing resources development committee on December 14, 1976, adopted a resolution that directed the government, through the Workmen's Compensation Board, to carry out a study of all the benefits available to injured persons for the goal of integrating all the present programmes of assistance to provide a measure of means of economic security to the injured employee and survivors' benefits. Can the minister indicate to the Legislature what progress has been made in that study area, and can the minister inform the members when the report will be completed and available for government action?

Hon. B. Stephenson: Mr. Speaker, the study is under way, as I reported to this House, I think, earlier, and I anticipate we will be having a preliminary report early in June. That is the date which has been given to me by the consultant group and by the committee. Whether that will be the complete report or not, I can't tell you, Mr. Speaker, but I would predict we will have at least an interim report by that time.

CUSTOM AGGREGATES

Mr. Mackenzie: A question of the Minister of Labour: Does the minister agree with the actions of a company, Custom Aggregates, which has a quarry at Aberfoyle and which has brought in a security company and eight security employees from the province of Quebec under a six-month licence to escort strike-breakers through the picket lines daily at that quarry? Does she consider this compatible with bargaining in good faith, which we are trying to establish under The Labour Relations Act? Would the minister intervene in this situation?

Hon. B. Stephenson: I suggested yesterday to the hon. member that I would try to find out all of the information I could about this situation and that is precisely what I am doing at the moment. When I have that information, I will be pleased to respond to the member's question.

COST OF HOSPITAL STAY

Mr. Spence: I have a question of the Provincial Secretary for Social Development. Is the minister aware that in my community one of my constituents had a son in retardation facilities and he was billed for \$33,045.50 for less than three years' stay in Cedar Springs Hospital? Is it the policy of the government to charge parents for their son or daughter in those facilities?

Hon. Mrs. Birch: I am not aware of that incident but I certainly will bring it to the attention of the Minister of Community and Social Services and will report back to the member as quickly as possible.

Mr. Good: It happens all the time with the special care. They even put mortgages on the family home to pay those bills.

PRICES AT HIGHWAY SERVICE CENTRES

Ms. Bryden: I have a question of the Minister of Transportation and Communications.

Since the government is reported to have dropped the rentals charged to the oil companies operating the service centres along Highways 400 and 401 by \$1 million a year, can the minister tell us if all of this \$1 million is being passed on to the consumers in lower gasoline prices? Or, if not all, what percentage is each company passing on in the next year?

Hon. Mr. Snow: I made a statement in the House last fall relating to this matter, stating that the ministry would be eliminating the special federal tax and extra increases in the price of fuel from the sales of the oil companies when establishing the rental rate for the premises. This was only to be done, and I am sure only has been done, when the full amount of that reduction is passed on to the motorist. I understand the reduction in the price of gasoline at the service centres on our major highways has been reduced by varying amounts from two cents to nine cents per gallon.

Ms. Bryden: Supplementary: Would the minister be willing to table for us a statement showing how much each oil company has dropped the price since the new rental agreement and how much additional funds out of this \$1 million is going to the oil companies?

Hon. Mr. Snow: I will just have to say that there are now additional funds from the \$1 million going to the oil companies because the leases on these oil company premises are calculated on a percentage of their sales. When we have reduced the calculation on that sale it is not included in calculating the rent, and that is only done when that amount is passed on. But I will get the hon. member a list of the prices—as much as I can get—that were charged before and after. The reason for the difference between the two cents and the nine cents is that there is a considerable difference in the percentage paid by the oil companies on different stations, mainly because of different locations and because of the tenders that were submitted when the awards were made some years ago.

Mr. Speaker: The oral question period has expired.

Petitions.

POINT OF ORDER

Mr. Nixon: On a point of order, Mr. Speaker, what instruction do you give your attendants pertaining to the lights for the television cameras?

Mr. Speaker: There are still camera people there. They have a right to turn the machine on as and when they please. They usually leave about this time so I imagine that the hon. members will soon be relieved.

Mr. Nixon: Could we amend the instruction so the last cameraman out turns out the lights?

Mr. Speaker: I don't know whether I'd trust the cameraman for that, but there is a gentleman assigned for that purpose.

Mr. Sargent: Mr. Speaker, on a point of order.

Mr. Speaker: Your point of order?

Mr. Sargent: Mr. Speaker, it has always been a concern of mine that the government at its behest, or of its own will, can have its cabinet ministers give ministerial statements ad infinitum as long as they want to. How do you measure the fact that we have an hour for question period and the ministers can get up—possibly before an election—and can read into the record all the statements they want to, and you sit there and let them—

Mr. Speaker: Order, please. There is nothing out of order so it is not a point of order. But, just to answer the hon. member's point of information—I believe; not a point of order—there is a request that long answers, for instance, be delivered as ministerial statements and we have insisted on that. At least some of those statements this afternoon—the first couple of them at least—were the answer to a series of questions. So we are doing exactly as the House has requested.

Mr. Sargent: On a further point of order.

Mr. Speaker: No. Order, please.

Mr. Sargent: On a point of order.

Mr. Speaker: The hon. member has no point of order in that respect.

Mr. Sargent: On a point of order.

Mr. Speaker: What is your point of order then?

Mr. Sargent: My point of order is this: Where do you draw the line on how many ministerial statements there will be?

Mr. Speaker: No, that is not a point of order. There is no way the Speaker can dictate or decide how many statements shall be given.

REPORT

Mrs. Campbell from the standing procedural affairs committee presented the committee's report which was read as follows and adopted:

Your committee has carefully examined the following applications for private Acts and finds the notices, as published in each case, sufficient:

City of Ottawa;

City of Toronto.

Mr. Speaker: Motions.

INTRODUCTION OF BILLS

TOXIC AND HAZARDOUS
SUBSTANCES ACT

Mr. Deans, on behalf of Mr. Lewis, moved first reading of Bill 38, An Act respecting Toxic and Hazardous Substances.

Motion agreed to.

Mr. Deans: Mr. Speaker, the purpose of the bill is:

1. To require that every new substance or new process be tested for toxic or hazardous characteristics by an independent research organization before it is introduced into the work place;

2. To enable the Minister of Labour to require any substance or process already in use to be tested for toxic or hazardous characteristics by any independent research organization when the effect on the health of the employee is in question;

3. Where toxic or hazardous characteristics are found through the testing procedures, the minister can prohibit, severely limit or place conditions on its introduction;

4. To require an annual audit of the use by amount of toxic or hazardous substances and mixtures in each work place.

DISCRIMINATORY BUSINESS
PRACTICES PROHIBITION ACT

Mr. Grossman moved first reading of Bill 39, An Act to prohibit Discrimination in Business Transactions.

Motion agreed to.

Mr. Singer: Is that a government bill or a private member's bill?

Mr. Grossman: Private member's.

Mr. Singer: A private member's bill with a cabinet minister seconding it.

Mr. Deans: It would have a better chance of success if it happened the other way around.

Mr. Singer: If it catches fire, then they believed it all the time.

[3:45]

Mr. Grossman: This bill is designed to protect the business against discrimination in its business dealings on the basis of the race, creed, colour, marital status, nationality, ancestry or place of origin of its directors, shareholders and personnel. The protection against these types of discrimination is also extended to individual persons working in a business environment.

Hon. Mr. Handleman: Mr. Speaker, I wonder if I might take a moment before the orders of the day to draw to the attention of the hon. members the presence in the gallery to my right of a former distinguished member of the Legislature and colleague of ours for many years, Mr. William Stewart.

Mr. Breithaupt: Mr. Speaker, with respect to that matter, surely the gentleman isn't a former distinguished member, he is a distinguished former member.

Hon. Mr. Handleman: Mr. Speaker, I accept the correction in good faith.

Mr. Speaker: Correction noted.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Handleman: Mr. Speaker, before the orders of the day again, I wish to table the answers to questions 26 and 27, and the interim answers to questions 25 and 28 standing on the notice paper. (See appendix, page 673.)

ESTIMATES

Hon. Mr. Handleman: Mr. Speaker, before proceeding with the orders, the House leader asked me to make the following statement concerning the estimates scheduling. Since today is budget day and since consideration of estimates will begin later this week, I think this might be an appropriate time to indicate, pursuant to the new rules, the amount of time the House leaders have agreed on for each set of estimates.

In the House as agreed the committee of supply will sit Monday afternoons and Friday mornings, or about four hours a week. The sequence will begin May 2, with the

Solicitor General, 20 hours; then the Attorney General, 20 hours; then Consumer and Commercial Relations, 20 hours—which would take us into the fall—then Correctional Services, 12 hours; then the Provincial Secretariat for Justice, 10 hours.

In the standing resources development committee there are up to three meetings a week possible for estimates, or about seven and a half hours. The estimates volume for this policy field will not be tabled until Thursday of this week. The estimates of the Ministry of Housing, 25 hours, will be first and can begin on Friday; then Energy, 15 hours; Labour, 15 hours; Industry and Tourism, 15 hours; Agriculture and Food, 20 hours. At this time we should be into the fall, with Environment, 20 hours; Natural Resources, 25 hours; Resources Development Secretariat, five hours; Transportation and Communications, 25 hours; and Northern Affairs—the allocation to this ministry will be resolved when we return in the fall.

The standing committee on social development, under the fixed schedule of meetings agreed by the parties, can meet up to three times a week on estimates, or about eight hours a week. The Social Development Secretariat is first with 12 hours, which could begin Monday, April 25; then Education, 22 hours; Colleges and Universities, 10 hours; Community and Social Services, 20 hours; and in the fall we will have Health, 20 hours, and, last but not least, Culture and Recreation, 15 hours.

The standing committee on general government may meet up to three times a week with eight hours available. There is an agreement that we will start with the estimates of the Treasury, which will have 20 hours at the committee; then the Ministry of Government Services, 20 hours; Revenue, six hours; Management Board, three hours; Office of the Assembly, 10 hours; Office of the Provincial Auditor, five hours. By then we would be into the fall, with the Ombudsman for nine hours and the Premier, cabinet and Lieutenant Governor's estimates to conclude.

ORDERS OF THE DAY

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT

Hon. Mr. Handleman moved second reading of Bill 28, An Act to amend The Residential Premises Rent Review Act, 1975.

Hon. Mr. Handleman: Mr. Speaker, I have a very brief opening statement in view of the limited time available for debate. I just want to point out to the members of the House that this bill is essentially a continuation of the existing legislation—

Mr. Singer: How much time do you need? Debate it for a week?

Hon. Mr. Handleman: —the principles and the purposes of which have already been extensively discussed in the Legislature, in meetings of many kinds around the province and through the media.

It's essential that ample time be available for the provisions of the bill when passed to be advertised so that landlords, tenants and rent review staff will have ample opportunity to become familiar with those changes which are in the bill. These changes have been before the House now for a week and should be well known to all of us.

Mr. Singer: Therefore, let's not debate it.

Hon. Mr. Handleman: During the life of the present legislation, many landlords have matched the length of leases and other tenancy agreements with the time periods in the Act. As a result, a large number of tenancies will be renewed on August 1, requiring landlords to serve the mandatory 90-day notice for an increase by May 1 at the latest. Those tenants who wish to appeal increases through the rent review process or to terminate their tenancies because of the rent increases are also subject to the same time strictures.

I will be moving two minor amendments to the bill, one of which will restore to the bill the requirement for written reasons, as now provided in section 7, subsection 3 of the Act.

I'm keeping my introductory comments deliberately brief, in order to provide as much of the limited time available for the members—

Mr. Singer: There's as much time available as we need.

Hon. Mr. Handleman: —so that they may debate the principle of the bill.

Mr. Singer: We can go on for days on this.

Hon. Mr. Handleman: The need for the effective use of the time available to us must be obvious to all members.

Mr. Singer: What is this "time available" nonsense?

Hon. Mr. Handleman: Don't you understand the problem?

Mr. Breithaupt: I wish to ask a question. I was not aware that the time was limited in any particular way.

Hon. Mr. Handleman: Mr. Speaker, I thought I made it clear in my opening remarks that there are certain time strictures in the bill.

Mr. Singer: Well, that's your fault.

Hon. Mr. Handleman: We have debated the bill at some length before this and—

Mr. Singer: When?

Hon. Mr. Handleman: —May 1 is a very critical date in this whole legislative process.

Mr. Singer: You don't like debates.

Hon. Mr. Handleman: No. Debate as much as you want.

Mr. Singer: You don't like the bill.

Mr. Good: And you said you wouldn't be minister when this happened.

Mr. Singer: That's right. So, let's have a short debate—not to bother you too much.

Interjections.

Mr. Singer: We'll bother you as much as we need to.

Mr. Good: How come you're still minister?

Mr. Acting Speaker: Order, please. Can we have a little order before the hon. member for Oshawa commences his remarks?

Mr. Singer: Tell the minister not to be so silly.

Mr. Acting Speaker: Order, please. The hon. member will continue.

Mr. Breaugh: Thank you, Mr. Speaker.

An hon. member: Level with us.

Mr. Breaugh: I join with all parties in this House in welcoming this long-awaited announcement. I think we would be remiss if we didn't state at the outset that we certainly do support in principle the extension of this rent review legislation as being a very necessary and desirable thing. I think we would be remiss, too, if we didn't make mention of the rather concerted effort that has been made over the last three or four months to support and not support, extend and not

extend, extend in some version and extend in some other version, and recognize the difficulties that it has placed on landlords and tenants—the uncertainty.

Though I wouldn't be one to welcome the minister's resignation as an amendment, I think the minister's statements really did not do a great deal for anybody involved in this process during the time when the government was making that initial decision to extend the rent review. I think, too, that a basic problem in the very principle of this extension is the uncertainty involved.

I would like to take some time to point out some of the difficulties that are inherent in this particular bill. It is obviously a necessary programme to be extended, because the problem still exists; it has not been rectified a great deal, though it has been modified somewhat. So we will support this bill in principle, and I would like to outline—because I think it's necessary—that there should be a review of this particular Act. Some of the problems that are inherent in the rent review legislation have, at least, been acknowledged in this extension bill; but not all of them. Not all of them. When we go through clause by clause, we would hope in proposing amendments that we would be able to deal with some of those things, and that there would be support given, either by the minister himself or by the Liberal Party, for some very serious problems that have not really been properly acknowledged in this particular extension bill.

It is appropriate that we review in some detail, the problems that have been inherent in The Rent Review Act itself. I would like to quote a gentleman named Brian Bucknall who did work for the Rent Review Board on one occasion. I understand that he had the temerity to make some criticisms of it and does not work for it any more. But I think his criticisms are particularly valid. May I quote a couple of passages from his rather learned paper on this particular programme?

He states: "While many of the policies embodied in the rent review programme are open to debate, there are two fundamental assumptions which, from both the substantive and administrative point of view, shape and misshape the whole scheme. The first of these assumptions was, it was noted previously, that rent control could be a temporary measure, that a two-year life span for the whole programme was acceptable, and that the administrative structure required by the programme could be assembled, have its work completed and be disassembled within 18 months. Obviously, the decision to have a

temporary scheme had no foundation in economic theory and it can only be regarded as the political response of a disaffected government to a programme which it disliked.

"The other assumption was that the rent review programme could be established and administered wholly separate from the general law of residential tenancies. Rent control is, in theory, inseparable from a regime of security of tenure."

I think that it is a very valid point, that the temporary nature of the programme has caused great problems on all sides. It really is a matter of "When will we invest? Now? Or will we wait until after the scheme is ended? And now, with an extension, how far will this extension go?" Are we dealing with a permanent government programme or one that is temporary? Will that programme change, should the government change substantively, whether the same political party returns to power after the next general election or not?

I want to quote a couple of other small comments from Mr. Bucknall's paper, because I do think it is probably the definitive comment of rent review in Ontario.

"Again, it must be emphasized that the prospect of acquiring and training a competent staff for this most complex regulatory scheme was hopelessly compromised from the outset by the decision to make the entire programme temporary. Neither serious recruitment nor effective training could be undertaken where the whole effort was to dissolve in just a few months' time.

"The draftsman of the new legislation may have been guilty of an excessive enthusiasm for prescribed forms. The programme came into being graced with no less than 12 forms which had to be used at one time or another in the rent review process. In some cases, the forms were drafted in a rather casual manner and had to be amended."

There, in a nutshell, is the problem of the principle that we've been dealing with in this rent control legislation. It is the principle of temporary legislation that adds an air of unease about it; and it runs right through the entire programme—from personnel who are involved in the rent review programme to the kind of response that is made in the terms of an administrative technique and to the kind of problems that are encountered by those people who actually try to function within the programme, whether they be landlords or tenants. That uncertainty, that air of the temporary that pervades the entire programme, causes most of its difficulties.

Let me point out some areas that I suggest need substantial improvement. In the first place, I think we have to address ourselves to that temporary problem. I really cannot see the basis for an automatic termination date of the programme. Surely the programme is a valid one until such time as the shortage of rental accommodation has been solved in some way or another. I fail to see how anyone at this time, and least of all this government, could prognosticate a date or pick a time out of the air when that could be done. Surely this legislation should be legislation to establish a rent review programme that works until such time as the programme is no longer needed; and then the government, of course, has an undeniable case to bring before this House in legislation ending the programme. But so far as anyone can see, there are no solutions available or in operation now that will solve the problem.

The Minister of Housing (Mr. Rhodes) did announce some incentives for new rental accommodation. Those particular programmes have not worked, by his own admission, in any of the areas where rental accommodation is a particularly vexing problem; and there is very little indication that the kinds of programmes being advanced by the government now will actually do the job. They are an attempt, but there is no assurance, by any stretch of the imagination, that the rent problem in Metro Toronto and the larger urban centres in Ontario will have been solved by the time this bill terminates. So the provision for an automatic termination date makes no sense to this party at all and we would make some suggestions in that regard.

I want to move to a second and major point. The principle of this particular bill is tied very closely to the federal anti-inflation programme, even though there is a rather strange relationship at work here. The original bill, hon members will recall, was presented to this House and conceived before there was a federal anti-inflation programme. The minister responsible, in his statements concerning the rent review programme in Ontario, always managed to make reference to a federal anti-inflation programme and then promptly says: "But this bill is not tied to that programme." I would accept one way or the other: Either it is a part of that programme or it isn't. But I have great difficulty in accepting the notion that it is for some purposes and it is not for others.

[4:00]

Surely, as we have seen in rent review programmes in other jurisdictions, there

comes a time to review the guideline—accepting that it is a guideline and not a fixed amount, accepting that it is open to some kind of judgement. But surely in this instance, in this province, we would now say, this provincial government being rather firmly and proudly, I might add, attached to the federal anti-inflation programme, that it would respond accordingly for rents—that it would say if the federal anti-inflation programme in its first year of operation accepted eight per cent as a magic number, as an allowable increase, then surely in the second year it would also say it would follow the same guidelines, that it would say six per cent. There are arguments that can be made, whether it's six in British Columbia—recently they have struck the magic number of seven per cent. But I find it difficult to—

Hon. Mr. Handleman: Ten in Manitoba.

Mr. Breagh: That's fine. I would find it very difficult in this province with this government to find a rationale for saying that we would not go to that six per cent number. Certainly if there is one, that would be an interesting thing to see. And certainly since we are talking about a guideline, not necessarily a fixed rule, one that could be exceeded on a cost pass-through basis which almost everyone involved in the programme does accept, it would not be an undue hardship on anyone to make the six per cent the guideline.

I don't see that response in this, yet that's an underlying principle in this bill, I think, that it is attached to, related very carefully to, the federal anti-inflation programme which aspires to have in its second year a six per cent maximum. It is not reflected in this bill, and I really think we need some clarification on that. Obviously we are proposing that we go to a six per cent guideline. Those may be open to arguments, that's true, but I would like to see the rationale behind that and I don't. I would propose that when we get to that stage in discussing this particular bill that we will move that amendment.

A third area, and a major one that is not involved in this particular bill that I think has to be, stems from an emerging consensus on both sides of the issue, from both landlords and tenants, that the matter of going back before a rent review officer three and four times and sometimes more to deal with the same apartment building, to look at the same numbers, is nonsensical. The minister said very clearly in his opening statement the other day that an attempt was made to streamline this process. Everyone that I have

talked to, whether they are landlords or tenants, agree that it makes no sense to go back three and four times to look at the same set of numbers for a different unit in the same building.

There appears to me to be a clearly emerging consensus there that you could look at an annual building review. The landlord would arrive at the rent review officer with his facts and figures for this building, for this year, and that it could be handled wisely and judiciously. Yes, there are some difficulties but this rent review programme has faced difficulties before. In its early days it had a lot of confusion about it and in some measure at least has managed to struggle out from underneath that.

So the concept of an annual building review seems to me to be the most logical one from anybody's point of view—from a cost saving point of view, from an aggravation point of view, from an administrative point of view, from a paper-work point of view, from a wise and judicial use of the rent review officers and all of the facilities that they have in the province of Ontario now. The concept of doing the building once a year seems to make a good deal of sense for everybody.

The argument can be made, of course, that a landlord can do that now under existing legislation. But it is not being done. I would hope that when we do the clause by clause debate, the amendment we will propose to provide for the annual building review on a regular basis would be accepted on all sides. There may be some argument about the details of it, and the mechanics, but I think that that concept has to be embodied. Frankly, of all the things that you could do with the rent review programme, that one single thing would probably do more towards cleaning up the administration, providing all parties with a fair and equitable hearing, and taking out of it the animosity that exists.

There are some other things that need to be done but of all the ones that I can think of and of all the people that I have talked to, there seems to be a clear consensus that that's a workable idea and one that ought to be embodied in this legislation. If we are going to review this legislation and extend it, now is the time to do that.

Let me point out a couple of other small areas—they are not small areas, they are matters of some grave concern to a number of people, but they don't require major amendments to the legislation. Let me point out that if we move to something that would

allow a registration of the rent of all the units in a building, not a complicated procedure—and I must say in this rent review process a number of very complicated things have been attempted; this is not that complicated; in fact, most of those numbers are on file—that would serve everyone's purpose, I think, to a good end.

It would provide for a number of the landlords a good survey, for one thing, of what rents are being charged and are being allowed by the rent review agency across their municipality, across the province of Ontario. It would facilitate tenants when they go to appear before a rental officer. It is simply a matter of getting together publicly accessible facts, indisputable ones—a registry, if you like. I don't think that is a difficult concept to accomplish; I think it is a worthwhile one. I think, frankly, that it's a very simple step that would accomplish a great deal for all involved.

Let me put to you, Mr. Speaker, a couple of areas that I'm sure the minister is aware of, and which I think he wouldn't need to be really unduly pushed to get around to. This matter of proper notice that's contained in the legislation—which, again, goes right back to the principle of the bill. Is this a judicial process, or is this something like a quasi-judicial process, or what kind of a process it it?

I fail to see how somebody can waive his rights unconsciously. Surely the legislation is written so that if proper notice is given and the tenant or whoever appears before the rent review officer raises the issue, that's extremely valid and that's provided for in the legislation. But how do you lose your rights by saying nothing?

I think those rights are enshrined in the previous legislation and ought to be enshrined in this legislation. I am aware of the problem that did exist, but proper notice really has to be given before the hearing can be proceeded with and that strikes me as a very simple matter. The first question the rent review officer ask is, "Has there been proper notice given?" and the onus is on neither the landlord nor the tenant, but on the person that we, as a government, appoint to look after that particular hearing.

It seems to me a very logical thing that his first question would be, "Has proper notice been given?" That raises the issue, clarifies the stance and is not going to cost anybody a lot of money or a lot of time or a lot of aggravation. If that were written into this

legislation I think it would solve problems for a great many people.

Those are, very quickly, some of the major areas. Let me deal now with some of the things that have been brought before me, as housing critic for this party, and before the member for Ottawa Centre (Mr. Cassidy) when he was housing critic, that I think have to be at least discussed when we are discussing the principle of this legislation.

There is this matter of the regulations and of the guidebook and of the bulletins that were put out. Tenants in particular—and I think from the landlords that I have talked to, to the landlords as well—find that a particularly aggravating process. Understanding the traditions of the House, it's one thing as a legislator to understand that the minister probably ought to retain the right to make regulations from time to time, that underneath that the staff that's working in the administration probably has to have some leeway to publish guidebooks—the mysterious, secret guidebook—or to send out bulletins to clarify particular issues.

But the basic problem is, you see, that that's the guts of the programme. Whatever we put in legislation here, whatever principles we adopt here, are good or bad depending on how the programme works afterwards. By and large, it works on the regulations that are published and gazetted, on the guidebooks that are put out, even though most people don't see them, and on the bulletins that are published by the rent review board itself.

There is a problem that I have with that. I admit, quite frankly, that any government would probably need that kind of leeway; that it would probably want to retain that even if we were the government and we were proposing this kind of legislation. The ironic thing, as an example, in discussing the matter with some people from the Metro Tenants Federation last evening, is that they were very happy with the kind of advisory agency that Manitoba uses, but it is difficult to say how you enshrine that in law because you really are talking about (a) the principle of the bill itself and (b) the policies and practices of the government of the day.

Perhaps in one jurisdiction they are more attracted to the government than they would be in this jurisdiction. Perhaps they are happier with the tone and tenor of the guidelines that are put out. Perhaps they are more in tune with those people who administer the same kind of a programme in another jurisdiction.

It's a difficult one—and I don't propose that we run off into committee in an at-

tempt to set up some other advisory body, but I did think it important enough to bring it up when we discussed the principle of this legislation. Because, in many instances, I feel, and a number of other people do, the principle of the legislation, the purpose of it all, was definitely thwarted by the regulations, the guidelines and the bulletins that were put out. I think even the minister would be prepared to agree that on occasion that has happened. It's a matter of some debate among landlords and tenants as to how frequently that happened, but without question there were some really serious problems that emerged, essentially around that issue of what happens after the minister writes the legislation, after he establishes the principle of the thing, and after he gets all his amendments approved. When it then goes into operation, what happens? There is a serious problem there. I am afraid we do have to go back to a government reluctant to put in this kind of legislation, for starters, and a minister, frankly and openly, reluctant to administer such a programme.

Given that kind of after-the-legislation tenor or atmosphere, it becomes understandable why there were difficulties in the administration of the rent review programme. There were those who said in the early days—and, frankly, I shared the thought quite often—that the whole thing was set up afterwards in terms of its administration and regulations and guidelines and bulletins, that after putting the legislation through the House, the government then set about to make sure that it could never work and that it would strangle itself. That early feeling seems to have modified somewhat, at least in my view.

But I really have to put to the minister and to the government that there is a prevailing feeling that there are great difficulties there; that this government has backed into this legislation; that the administration suffers greatly in terms of morale, in terms of production and in terms of efficiency because everyone really gets the impression that while there's a programme at work here, some legislation under way, the government is implementing legislation that really in its heart of hearts it didn't want to do. There are arguments on both sides of that coin but I think that is a problem. I wish, quite frankly, we could somehow in the legislation write the spirit of the thing with a great fervour that would carry over after the legislation is passed to see that the thing does work in subsequent days.

There are some other matters. There is the matter of written decisions, of providing

a reasonably accurate account of why a rent review officer made the decision he did. I would understand in the early days when there was a backlog, when things were hot and heavy, when there was a good deal of confusion, when the forms weren't even printed and sometimes misinformation was given out by rental offices themselves, the officer really couldn't contemplate providing a satisfactory written response or a written reason for the decision.

I think, though, that that day has passed and that that now could be done, that that's a perfectly sensible and feasible thing that would establish some rationale, some pattern and some frames of reference for people when they go before the rent review officer. I think that that could be done from my conversations with those people who worked as rental officers who now say that that could be done and from those people who appear before rent review hearings who think that that would be of great assistance to them. That could be done and it wouldn't be at this stage of the game an impossible task at all. It would serve some great purpose for most people.

I have some difficulties with the idea of the principle of discontinuing service. I understand the previous problem of saying that that is a rent increase and now saying that if they discontinue a service of course the tenant can always run off to the rental officer later on. There are some grave problems with that. I would say, quite frankly, in discussing the principle of this bill, that that's one area where there have been some rather serious problems—not with a lot of landlords perhaps but certainly with some that I'm aware of. Being disgruntled and a bit unhappy by times and, I suppose, to be quite fair about it all, a bit confused by the whole process, they turn around to strike back and see in what areas they could get back at their tenant.

In my riding we have had a couple of unfortunate incidents, that I know the minister is aware of, where a landlord perhaps had some difficulty understanding the legislation and understanding why his guys did it to him and took some rather untimely actions, some of which may have been justified and some of which undoubtedly were not justified, not the least of which was the discontinuing of some services.

I think the minister has to address himself to that because part and parcel of this concept, this principle of rent review, is that when one rents an apartment he gets it as it was when he went in there. The dish-

washer works, the laundry room works and they do clean the snow from the drive in the winter. In the case of the sauna, the swimming pool or whatever it was that attracted a person there in the first place, whatever it was that got him to the position where he was prepared to pay that kind of rent in the first instance, they don't start shutting down all those facilities. Quite frankly, that is an area that is a problem and certainly a source of aggravation to tenants, and I don't really think it's a satisfactory answer for any landlord. At least the ones I've talked to are unhappy about that.

[4:15]

Quite frankly, in my riding most of the landlords with whom I have discussed the matter are quite proud of running good buildings; they make the effort to keep their places clean and to keep them reasonably well maintained. They're not happy about spending money that doesn't turn a profit afterwards, but a number of them do have pride in their properties. A number of them, in particular those who are local owners, are extremely proud of the kind of place that they run. They like to keep it clean. They like, frankly, to keep their tenants happy. They want them to be happy where they are; they don't want them grumbling all the time. They don't like the kind of complaints that we get in other situations where a landlord doesn't quite respond to that degree.

There is the difficulty of reopening hearings. I think we also have to discuss the matter of the rent review board itself and how it responds, because after that point, in looking at the principle of the first legislation that we investigated in this House, there was this idea that there would be a final appeal for both parties through a rent review board.

Unfortunately, the feeling that I get is that the kind of atmosphere in which people operate is such that they tend to think now that the rent review board is not really an appeal process for the tenant. It is supposed to be that, but they feel that in practice it hasn't turned out to be that; it's the place the landlord goes. If he's a big landlord, if he's got the time, the talent, the money and the expertise to appeal, off he goes to the rent review board.

The general feeling, to be specific about it, is that the rent review board is the place that the landlord goes if he feels he didn't get a happy hearing at the local level. That has to be changed somewhat. There are some problems with that, very frankly.

Perhaps it is personnel. Perhaps it goes back to the kind of comment made by Brian Bucknall, which I read into the record initially, that when the programme is temporary in nature and seems to be a programme that was accepted with great reluctance on the part of the government, that establishes kind of a milieu in which the whole programme operates and it would be rather difficult for tenants to think that they are always getting a fair shake.

Quite frankly, a couple of landlords with whom I have discussed the matter don't feel they're getting much of a shake out of it either. They feel the programme itself is rather shaky, and that speaks to my initial point about it being temporary in nature and the kind of problems that are associated with that temporariness.

There is kind of a smell of bias about it all, that it's a reluctant thing, an unwanted creature that it's not ever going to work extremely well because no one really wants it ever to work extremely well. Of course, if we address ourselves specifically to the principle of the bill, we would have to say yes, we want this legislation to work as well as it can, accepting that there will be hiccups along the line, that it will not always work smoothly and that not everyone will be happy. But surely there ought to be an overriding consideration that we want this legislation to work as effectively as it can. And that's lacking.

I'm not sure that we can get rid of the nature of the bias. In particular, I'm not sure that we can get rid of that when the minister seems to persist in making statements about his reluctance about the programme itself. Frankly, I wish he would either stay silent on that matter or make some rather carefully worded statements in support of the programme. That does seem to be a problem on both sides.

From the landlords' point of view—at least the ones that I've discussed it with—we might say that some of them are withholding capital. Most of them are saying to me, "We're not sure what's going to happen in a year and half from now or whenever termination dates might be adjusted to. After all, we looked at it as a temporary programme once. We thought that if we waited it out for 18 months, and we wanted to invest some money in apartments at the end of 18 months, we could zap it in and there would be no controls." There are no controls now on new units and nothing contemplated to change that. But it's that kind of air of uncertainty which flows through this

entire programme, that is causing the problem. Eighteen months ago they thought it would only go for 18 months, and now we're talking about an extension already. What are we going to do when this one expires? Come back with another extension?

Wouldn't people be better off if we were to say the programme is in place until it is no longer needed? Wouldn't that do a number of things for us? Wouldn't that clearly establish the principle of the legislation, for starters? Wouldn't that clearly establish that for someone who wanted to take a job as a rent review officer, or someone who wanted to fill a position on the rent review board, there would be some permanence there; that it's worth establishing some part of your life to work for this mechanism and to make this kind of legislation successful administratively and in a number of other terms? That would go in great measure, I would say, to answer the problem that the minister addressed himself to in his opening statement about the uncertainty of starts in rental accommodation. I think, too, although perhaps it is a bit off the mark in specifics, it is not off the mark in terms of the principles of the legislation, that little problem that emerged about whether or not people in public housing are in or out of rent review.

There have been people evicted because they got caught in the backlog. And it is true to say, I suppose, that if you looked at it from a strictly legal sense they should have put the money in a bank in a separate account, and if they were out, okay, they would have had the money in a little pot. But people at that income level don't do that kind of thing. They are worried about frivolous items like clothes for the kids and food for the table. So if an extra few bucks show up in the monthly budget that means that some kid gets a new pair of shoes or a raincoat or a winter jacket, or the family eats a little better that month than they did the previous month.

I am a little disappointed that the minister has not seen fit—I am not suggesting it ought to be enshrined in legislation in any way—to deal with that problem, to solve it. Of course, part of our difficulty here is that the Minister of Consumer and Commercial Relations (Mr. Handleman) is dealing with this legislation as opposed to the Minister of Housing (Mr. Rhodes). That split, that small shift, that shoving off to another ministry, causes problems all over the place, not the least of which is this one.

I suppose from the government's point of view it provides an opportunity to do a small

shuffle and to get rid of a problem by giving it to somebody else; but from the tenants' point of view, and particularly from public housing tenants' point of view, they got caught in a trap that was not of their own making. It was unreal to expect them to be able to deal with that situation and some of them suffered rather atrocious consequences not of their own making. Frankly, I am rather disappointed that the government did not see fit to at least make a short statement to indicate to local housing authorities, or just to the House at large, that they intend to forgive and forget, to understand that some innocent people got caught in a small bit of legislative byplay that hurt them, and that the government would be prepared now to readdress itself to that problem and to see that that doesn't occur again.

There is this problem which I don't think was addressed properly in the initial legislation, although there was considerable discussion about it. No one is quite sure at the hearing level what is going on.

Is this a court? Well it is not a court.

How informal is it? Do we have to put things in writing? What can we see? What can't we see? What can we say? What can't we say? Because, you see, I don't think that particular approach was clarified.

In some ways the rent review programme functions in a very officious way. You have to fill out all these forms. You have to get somebody appointed if you want them to represent you. There is a proper form to fill out.

In other ways, though, it is not a very official thing; it is not a very judicial process. It can be someone sitting with two or three people. It can be someone sitting with 300 people; and, of course, when the 300 show up the rent review officer does not exactly know how to deal with that situation.

So I think there needs to be some clarification on exactly what we are doing here, and in being a little more precise about what kind of a hearing it will be—what are the rules of that game, what is the aura that surrounds that situation.

One would think after 18 months that the programme would have settled in. It probably has in a number of areas, the problem is that there are some inconsistencies from one to the next.

In a couple of the hearings that I have been at it has been a rather informal affair. It struck me that in those situations, with the small number of people in attendance, what started out to be accomplished was in

fact accomplished, though some of the informality of it all tended to let it get a little sloppy and some of the detail tended to get lost in the mess.

There were some problems of landlords, for example, being allowed to bring in information after the hearing which they didn't have at the hearing for starters. Now some hearing officers said, "Whatever you have on the table at the time of the hearing, that is what we allow." But some said, "Well, if you want to drop it around to my office next Tuesday I'll take a look at that."

That is a problem. What are the rules of the game? Is this a situation where when you walk in and, okay, there are normal rules of order applying, but more important than that, do you have to put the stuff on the table there? If the ministry is allowing the landlord, as an example, to come around three days later and present new information that the tenant doesn't see and can't argue with, that strikes me as being unfair. There seems to be a need at least to have the minister, in his directions to these personnel who carry out these hearings, straighten that out.

There seem to be different sets of rules at play in different hearings. I know that in some of the areas surrounding my own riding there are different rent review officers hearing cases.

In Metro Toronto there are certainly many different rent review officers hearing cases, and some of them are beginning to establish reputations as being easy to some and not easy to others. Some are establishing the idea that they give tenants a fair hearing; some are getting the reputation that they really don't listen to the tenants, they want to listen to the landlords. Some are taking the approach that this is really an accounting procedure as opposed to a hearing of two sides of a situation; and that the real function of the rent review officer is, after the hearing is all over, he takes the landlord's books away and somewhere in private makes his decision, consulting, I suppose, the great secret guide book along the way.

It's a problem of consistency. It is also a problem of information, of what information is provided. I frankly don't see why we couldn't do a very simple thing like asking the landlord and the tenant when they supply information to the rent review officer to simply supply it in three copies; one of which is for the rent review officer, one of which is for the tenant involved and one of which is for the landlord himself.

Of course, if you went to a building by building situation and you allowed them

annual building review, that seems to simplify the process even further. Maybe hinging on that one concept are a number of solutions to administrative problems that we've got.

I certainly don't think it's a sensible proposition, though it seems to have been worked out in many rent review offices, that you charge people for duplicating things, or that initially you wouldn't let them duplicate things and you made them write it all out. That seems to have kind of worked itself out. It strikes me a simple solution in the final aspect is to simply have people file three copies. It seems to me to be quite a reasonable thing. It poses difficulties for some, that's true; but not for everyone and not insurmountable difficulties, and it seems to me that it would also stop some problems.

Let me point out another area that is mentioned in the principle of this bill and which was mentioned again in the statement the minister read when he introduced the legislation in the House. That is the relationship between this rent review programme and The Landlord and Tenant Act, because it is related. You are talking about the same people; you are talking about the laws of the same government and the same province in this nation. They are related, without question.

What's missing is some mechanism to allow a tenant to get his rights under The Landlord and Tenant Act. By the same token, it lacks some easy mechanism, some workable mechanism, to allow the landlord to see that his rights as a landlord are fulfilled.

In my own area we have the rather fortunate situation of an individual who was hired by the region of Durham to function as a housing registry officer who advises both landlords and tenants on their rights and their responsibilities. He facilitates that process; he enjoys an excellent reputation in the community and solves a number of problems for a number of people.

Incidentally, he started, in the beginning, to serve the needs of people who needed some kind of housing accommodation, but he functions as much for the landlords as he does for the tenants and that simple mechanism seems to make a lot of sense.

It has been suggested in many quarters that a rent review officer could serve some of those functions. I do understand the argument that he can't be all things to all people and that he can't police nine Acts instead of one, but it does strike me that the government has got to address itself to that problem. There are people who have rights, both land-

lords and tenants, who are having their rights abused because they are not aware of what they are, because there is no real mechanism that they can use to see that those rights are fulfilled.

I want to conclude, Mr. Speaker, by just running through those areas we would like to focus on and on which we will move amendments when we get to clause by clause, just so that the minister is clear on our position.

We agree with the principle of the bill without question. We also agree that it needs to be extended. We do think that an automatic termination date associated with the rent review programme really doesn't make sense, and that this programme should continue in force until the rental housing market conditions are no longer under the kind of pressure they are under now.

We think, too, that the maximum rent increase permitted without appeal to the rent review process should be reduced from eight per cent to six per cent to make it consistent with the anti-inflation programme.

We think the legislation should allow for one hearing to be held for each building for each 12-month period, that the hearing deal in advance with all leases due to expire in that year and that the officers' orders come into effect as the lease expires. That all landlords should be required to register the rents of all units in a building each year with the rent review officer, that this information be publicly accessible at all times and that the rent review officers be responsible for ensuring that proper notice has been given to the tenants before proceeding with the rent review hearing.

[4:30]

Mr. Speaker, we will continue, there are several members who want to speak to the principle of this particular bill. We will be moving amendments when we get to clause by clause, but I want to reiterate that we support the principle of the bill; and we in turn anticipate some support from the minister himself on a number of the points that I have raised and that other members will raise. Thank you.

Mr. Edighoffer: Mr. Speaker, in making a few remarks in reference to this amendment, I think first of all this is the first opportunity I've had to review legislation under the new rules of the House and I want to thank the minister for the compendium of background information. I certainly found it helpful while reviewing the legislation.

I should begin by saying that we in this party certainly are in support of the principle which extends the previous legislation. We have had discussions with many landlord and tenant groups and there certainly are a number of areas that we feel should have more consideration by the minister and possibly be amended during the committee session.

We still realize that the number of Ontario citizens who are tenants is increasing very steadily. I'd like to remind the House that in 1975 over 35 per cent of all Ontario households rented shelter. I'm positive that in many urban areas the majority of housing units which are rented rather than owned has increased substantially since that time.

In looking over some of the statistics of the dwelling starts in what they call the "apartment and other" category, this seems to have been declining steadily over the last few years. As a consequence the vacancy rate still is extremely low in many Ontario urban areas. The last figures I was able to come up with were the nine selected Ontario metropolitan areas, which were referred to by CMHC in the October, 1976, survey, when Thunder Bay had 0.2 per cent vacancy, Toronto one per cent, St. Catharines and Niagara 1.2 per cent, Sudbury 1.2 per cent, London 1.3 per cent, Ottawa 1.9 per cent—

Mr. Shore: Where are you getting that 1.3 per cent?

Mr. Edighoffer: I told you, weren't you listening?

Mr. Kerrio: He got it from you when you were on our side.

Mr. Singer: It was in your speech, the one in which you talked about the budget.

Mr. Kerrio: Did you change your figures when you went over there?

Mr. Edighoffer: Windsor 2.2 per cent, Kitchener 2.6 per cent and Hamilton 2.9 per cent.

An hon. member: Where's the Minister of Housing?

Interjections.

Mr. Edighoffer: Many housing experts suggest, of course, that a vacancy rate of approximately four per cent is necessary to ensure relative freedom of choice for tenants. Listening to a number of landlords from areas throughout Ontario, it's been drawn to my attention that at the present time in the Kitchener-Waterloo area the vacancy rate is

now close to that four per cent. I'd like to suggest to the minister that this area should be watched very carefully over the next six to 12 months and much can be learned for the eventual decontrolling of rents under this legislation.

I also want to recall to the minister's mind that the minister stated, at the time when this legislation was introduced, and I quote: "This bill is designed to take care of a situation that is here with us now. It is not conceived to be long term. We have a termination clause in the bill. The purpose of the termination clause is to emphasize that we consider this to be a short-term necessity as part of the overall endeavour of the people of this country to fight inflation."

The rate of inflation really has not decreased, and we have before us this amendment, which we in the Liberal Party have discussed fully. The extension of the rent review legislation should correspond with the scheduled termination of the anti-inflation programme.

The first section in this amendment sets out the rate increase at eight per cent or "such lesser percentage amount as may be determined by the Lieutenant Governor in Council." We in this party have stated on many occasions that it is not reasonable to leave such decisions to the Lieutenant Governor in Council. We feel that in this particular case it should be spelled out in the Act what really will take place between now and the end of 1978.

I would like to refer to the Throne Speech of March 29, when it stated:

"Ontario's commitment to the AIB is also coupled with a commitment to ensure basic protection from unacceptable high costs for the citizens of our province. The rent control programme, initiated in 1975, will be continued until the scheduled end of the anti-inflation programme, and legislation to this effect will be presented to the House."

The legislation is now before us, and the section near the end of the bill sets out and extends the date to December 31, 1978. The AIB guidelines, which were set out and which the province agreed to, were, I believe, 10 per cent for October 1975 to October 1976, eight per cent for October 1976 to October 1977, and six per cent from October 1977 until the termination of the programme. As this legislation is now tied in with the AIB guidelines—or so it has been intimated on many occasions—it is most important that section 1(1) of the bill be related to the guidelines.

As I stated earlier, we in this caucus feel that this future percentage change of rent increase should be spelled out in the legislation. I want to inform the minister that when we come to committee I will be proposing an amendment that would truly relate this bill to the AIB guidelines and would reduce the rate of increase to six per cent in October 1977 or at such times as the AIB guidelines are reduced.

I might also say a word about that past performance of the rent review board and officers. I suppose I should compliment them, as the expenditures for their programme were much less than expected.

Mr. Kerrio: They overestimated.

Mr. Edighoffer: The information given to me by the minister certainly showed that the expense was not as much as estimated. However, when we look at the figures and the operation of the rent review board and when we look at the decrease in the rent requested and the rent granted, we see that the average saving to the tenant was approximately \$15.74. When one figures this out in relation to the number of units that went before the board, it may be considered that it is still fairly costly to administer this programme.

There are many other changes in the legislation, and I would have to say that a number of specific sections incorporate a number of new and amended provisions to provide, I hope, better administration of the programme. These certainly can't be opposed as long as they bring about more efficient administration.

We in this party feel, of course, it's important to make sure that any rent increase granted during the period of the Act remains in force for a 12-month period. It's important to allow for new hearings by the Residential Review Board in order to correct errors and also hear appeals by parties unable to attend an original hearing.

The previous speaker referred to section 5 and the discontinuance of service or a privilege or an item, which would not be considered an increase in rent. I know we discussed this very carefully and I would appreciate it if the minister would spell out, to some effect, what might take place in accordance with section 5.

Hon. Mr. Handleman: On a point of order. In order to avoid repetitive debate on this matter, I should point out that discontinuation of a service is considered to be an increase in rent; it is not considered to be an increase in rent for the purposes of the 12-

month period. I think that should be clarified, rather than have this point repeated over and over again. It is considered, and always has been considered, an increase in rent by the rent review officer.

Mr. Edighoffer: Thanks, I'm glad the minister clarified that.

This amendment, of course, changes section 10 which increases the penalty—

Mr. Deans: On a point of order.

Mr. Deputy Speaker: There is no point of order.

Mr. Deans: The minister rose on a point of order.

Mr. Deputy Speaker: The minister rose on a point of information, and it was truly out of order because second reading isn't the time for an exchange of questions and answers across the floor. I permitted it just to facilitate an orderly discussion on the principle of this bill. Any further elucidation will have to wait until the minister winds up.

Mr. Deans: That's what happened by allowing it. It was money he was referring to. I don't understand it at all.

Mr. Singer: Then get up and make a speech about it later.

Mr. Deans: Do you understand it?

Mr. Deputy Speaker: The hon. member for Perth has the floor.

Mr. Singer: Why don't you get yourself in order for a change?

Mr. Good: Yes, exactly.

Mr. Deans: Did you understand what he said?

Mr. Singer: Yes.

Mr. Deans: No, of course not.

Mr. Singer: Get yourself in order. You are the great interpreter of the rules.

Mr. Edighoffer: Thank you for controlling the members, Mr. Speaker.

I'd just like to make a comment on section 10, which is the penalty clause increasing the penalty for a corporation. I see nothing wrong with this. I notice one word is taken out of that section, and the word is "knowingly." I hope this will not create hardship for new Canadians who as yet have difficulty with the language.

Section 8(2) sets out regulatory powers to permit the levying of fees, when necessary, to recover the cost of providing copies of documents. I think that's probably what this is, but I'd certainly like the minister to clarify this in his final remarks, to let us know what further powers we are giving to the regulations.

Basically, we in this party agree in principle with this legislation. As I stated earlier, I'll be presenting an amendment when this comes to committee to bring this in line with the AIB guidelines. I know that many other members, particularly urban members from this caucus, will have comments on other sections of the bill.

Mr. McCague: How about Harry there, he'll lose a lot of money.

Mr. Deputy Speaker: The hon. member for Scarborough-Ellesmere.

Mr. Warner: Thank you, Mr. Speaker.

Mr. Kerrio: Why don't you resign?

Mr. Warner: I've never heard that suggestion before from anyone.

An hon. member: He's cost a lot of money, hasn't he?

Mr. Warner: Saving the taxpayers' dollars.

Mr. Speaker, I appreciate the opportunity to take part in the discussion of this bill and will try to do so in a non-provocative fashion. I address my comments to the minister of consumer and corporate protection.

[4:45]

Mr. Shore: Address them to the Chair.

Mr. Kerrio: Isn't the Minister of Housing interested in this discussion?

Mr. Deputy Speaker: It's Consumer and Commercial Relations.

Mr. Warner: I stand corrected, Mr. Speaker.

Mr. Shore: You catch on fast.

Mr. Warner: Yes. Now that I have the title straightened out, perhaps the minister can straighten out the function.

Mr. Shore: Get yourself straightened out a little too.

Mr. Warner: I appreciate the fact that the bill is here. It is rather late, it should have been dealt with earlier.

Hon. Mr. Handleman: When? This is the first day you could deal with it. Tell me when you could have done it earlier?

Mr. Warner: Those suggestions were put forward early in December.

Mr. Singer: We convened on March 29.

Hon. Mr. Handleman: Ask your House leader.

Mr. Singer: Oh, come on.

Mr. Warner: If the minister will recall, we asked several times that the legislation be put forward before the House adjourned in December—

Mr. Shore: Have you got anything constructive to say?

Mr. Warner: —so that groups out there who are tenants and who are owners would have an opportunity to look at what was being proposed and have some meaningful dialogue before the eleventh hour approached, but it wasn't done. We listened—I listened anyway to a very thoughtful presentation put forward by the member for Ottawa Centre (Mr. Cassidy), who outlined in a speech somewhere around December 15 or 16—

Mr. Shore: He got demoted.

Mr. Warner: —a considerable number of important and useful suggestions as to how the rent review process could be improved, and again reiterated that we should have something to work on before the end of April. Obviously this is before the end of April but it certainly isn't going to give enough time to have the type of in-depth dialogue there should be.

The minister has given us some suggestions as to how to improve the system. There are quite a few more that are missing, an awful lot more. I would like, in a very objective way, to sketch out for him some of the problems I have encountered and some of my observations in working with tenants, not only in my riding in Scarborough but in various parts of Metro.

I know the minister had problems in bringing in The Rent Review Act. I know he ended up with people who were to administer it as review officers who in a lot of cases didn't know what they were doing.

In Scarborough we went through several rent review officers. A couple of them, I understand, had to be told to leave. I don't know if one would call it fired or not, but

they were told to vacate the premises. They were doing some strange and unusual things which were not entirely their fault. The training probably was inadequate.

I don't know why the ministry had automatically to go and drag in real estate agents to operate the programme but that appears to be what was necessary in its view. I think there could have been a better way to bring that about. The most common complaint I have had from tenants has been that they don't understand why people in the same building end up at different rent review hearings and why there has to be so much paper work.

Why is it necessary, where there are 100 apartments in a building and everyone in there decides to go to rent review, to end up with 10,000 sheets of paper passing hands? Why is that necessary? I have never heard an adequate explanation as to why that's necessary. It seems to me that there are ways of simplifying the process. One of the ways is to have one hearing for the entire building, one hearing for the 12 months, and consider all of the apartments at the same time.

The basic flaw in the programme, as pointed out by tenants to me, was that we weren't dealing with the base rent. We didn't know what base figure we were starting at. Those older buildings with the mortgage cleared off had, I would presume, substantially less cost to meet in relationship to new buildings or buildings that had gone up within the last five years.

There was no accommodation for that because we are basing the rent review on the present figure. If it is \$250 now, then we are talking about what percentage above \$250? We are not looking at the real cost of the unit, and not getting back and saying to the guy: "What's the size of your mortgage and what kind of refinancing have you done and why? And if that refinancing is not legitimate, then we are going to exclude that portion." Let's get down to the real base cost so that in fact if the rent had been \$250 before rent review, after it could have been reduced to below \$250.

I found one particular set of apartments in my riding where they had paid off the mortgage. There was no mortgage and they could have reduced the rents below the level being charged and still have made a good profit. They were obviously making a pretty excessive profit. But the rent review officer couldn't deal with that. All he could deal with was the percentage that was being asked above the given base rent at that point.

I think that's a flaw, and it's not attended to in this legislation either. That's unfortunate because at some point in time we have to get to the real cost.

The other question that came up quite frequently from tenants was why is it that if someone else who's in the same size apartment as I am—if it's a two-bedroom and they've got a two-bedroom—that we have different rents? Why is it that someone else is paying \$80 or \$100 a month less for the same kind of apartment that I have? How does that happen; and why can't the rent review process level that out? Bring him up a bit or me down a bit; or in some way level it out so that all of those one-bedrooms or all of those two-bedrooms in that building end up at the same price.

Hon. Mr. Handleman: It wasn't done before rent review, why do it now?

Mr. Warner: You know, that's your leadership problem; if you can't straighten that out that's your problem.

Interjection.

Mr. Deputy Speaker: The minister doesn't have the floor. He'll have an opportunity later on.

Mr. Warner: Thank you, Mr. Speaker.

Mr. MacDonald: Get a handle on that minister.

Mr. Warner: When we discuss the rent review and the rental situation in Metro Toronto I think it's important to realize how many people it is we're talking about, because we don't really have affordable housing for most of the people who live in Metro. Almost a million people are living in some form of rental accommodation in the city. That's a lot of people, who will be living in apartments or in rental accommodation most of their lives. Unlike 15 years ago, the average family with a single wage earner cannot get affordable housing. It happened 15 years ago for a person on an average income; it doesn't happen today. Unless this government does something about it, or there's a change in government, it's not going to happen in the future.

So those people are going to be living in rented accommodation for most of their lives. The question, obviously, is what is this government going to do to help that situation. What kind of protection will those tenants have? Not just in terms of rent review, but in terms of tenant rights. Rent review could be very well looked at as a protection of a

tenants' right, the right to live without fear of going into debt, based on regular income that goes up by a certain small set amount, particularly during the anti-inflation programme. Yet what kind of protection does he or she have?

What you're saying to me in this bill is that in a year and a half from now the rental accommodation problem in Metro Toronto is going to be solved. Therefore, you can dissolve rent review and leave it to the whims of the free market and everything will be fine.

You know as well as I that everything is not going to be fine. I'm quite willing to bet, and I would imagine that you would as well—silently, not in front of Hansard—that rental accommodation will not be available in large numbers and there won't be a large vacancy rate a year and a half from now. If I'm wrong, terrific; that's the leadership of this government and if that leadership is going to prove me wrong—that there will be lots of affordable rental accommodation in this city—terrific, you've done your job. And obviously we've done ours in prodding you to action, and I appreciate that.

Hon. Mr. Handleman: That's right, you win no matter what happens.

Mr. Warner: Okay, let's get back to the problem then—

Mr. Deputy Speaker: Get back to the principle of the bill.

Mr. Warner: That's right, right on. The principle of this bill is that it expires in approximately a year and a half, give or take a month or so.

Mr. Shore: Just before you.

Mr. Warner: If the member wants to speak to his own weaknesses, that's fine.

Mr. Moffatt: You will expire long before that, Marvin.

Mr. Shore: Have some fun there.

Mr. Moffatt: You will expire long before that.

Mr. Warner: What I am saying to the minister is that that is inappropriate and it's not realistic, because the rental situation in Metro Toronto is not going to be cleared up in a year and a half. Those tenants who are going to remain in rental accommodation for many, many years, are going to be left without protection—proper protection.

Why does it not make sense to the minister that the protection for tenants should remain so long as there is a vacancy problem, so long as we do not have the proper kind of vacancy rate? Why doesn't he consider that to be reasonable? I don't know and perhaps he can give us an answer.

Unless there are some answers, I'll tell you right now, Mr. Speaker, that most of those one million people in Metro Toronto who are in rental accommodations will be left without protection after December 31, 1978, goes by and at the whim and vagaries of that free market system—

Mr. Shore: Use your scare tactics—keep going. Scare me.

Mr. Warner: —and we will be back in the same kind—

An hon. member: Postpone the scare.

Mr. Nixon: Where do you stand on rent control, Marvin?

Mr. Shore: Start early—

Mr. Deputy Speaker: I can recognize the hon. member for London North at a later time.

Mr. Warner: Mr. Speaker, I apologize if I have scared the member for London North—

Mr. Shore: You didn't scare me at all.

Mr. Mackenzie: You woke him up.

Mr. Warner: Is the member for London North finished? If not now, he will be.

Mr. Nixon: Are you going to vote for this bill, Marvin?

Mr. Warner: I'd like to know how the minister then reconciles the situation that will occur following December 31, 1978, with what went on before the government brought in The Rent Review Act. How is it that the situation following December 31, 1978, is going to be any different from what was in place before the government brought in any form of rent review? What kind of magic thing is going to happen between now and then that will make the situation any different?

Mr. Singer: You don't know the answer to that one? They hope to have some more seats over there. That's what will make everything possible.

Mr. Warner: They may or may not end up with more seats, but we're not going to end up with more apartments—

Mr. Singer: Well, that's what they are gambling on at the moment.

Mr. Warner: —and that's the problem. The minister knows it and I know it, but he is not prepared to do anything about it in this particular bill. That is what is so very annoying.

No one in this House believes for a moment that every landlord out there is some sort of pirate—not all of them. The minister knows as well as we do that many of those pirates out there were identified—they were identified by his government during the rent review hearings. There were landlords who were brought into line and they were told, "You are asking excessive rents and you have to roll them back." That's the case; that's what happened, and the minister has the documentation for it.

I sat in on those hearings, as I am sure all of us did at one point or another, and I heard the rent review officer order those roll-backs. In one particular building, the rent review officer told the landlord, "No increase. Your increase is so excessive you don't even deserve an increase at all," and ordered that there be no increase. So this government realizes there are pirates out there, the same way we do.

Now where have they all gone? Will they not be there in 1978? Will they not resurface on January 1, 1979? They certainly will and they'll be out there in full force. And who's going to protect the tenants against these pirates? Who? Tell me. Not the government, obviously, because it has decided that the end of December its responsibility for protecting the tenants of Ontario is ended. I say that's wrong.

Mr. Shore: You have got the most warped mind there is.

Hon. Mr. Handleman: Have you ever read the Speech from the Throne? Try it some time, it might help. Read the rest of it.

Mr. Warner: An interesting document; fascinating, yes. You're going to move all this into The Landlord and Tenant Act.

Mr. Shore: You've got a warped mind.

Mr. Warner: There's an interesting one to ponder.

Mr. Martel: Like playing Mickey Mouse.

Mr. Warner: Perhaps the minister in his response could indicate whether or not it is reasonable to take some form of rent review protection for tenants for the period

beyond December 31, 1978, and move it into The Landlord and Tenant Act. I'd be interested in hearing his thoughts on that. It would be a good way to handle some of the problems.

[5:00]

When we get down to another principle of the bill which talks about the precise kind of increase that should be allowed—and the minister has grabbed at the figure of eight per cent—obviously we question why. We've heard both from the member for Oshawa (Mr. Breagha) and the Liberal spokesman—

Mr. Riddell: The member for Perth (Mr. Edighoffer).

Mr. Samis: The squire of Perth, the entrepreneur.

Mr. Warner: —the gentleman member from Perth who spoke so nicely, that it's more appropriate to have six per cent. Since we have all been told by this government that the cost of living has gone down, and since we've been told by this government that it believes in the anti-inflation programme and that it wishes to mirror the federal government as much as possible, particularly where it involves Ottawa taking over its responsibilities, then it only makes good and reasonable sense to accept six per cent instead of eight. If the minister has some argument as to why that should not occur, I would be very happy to hear it.

Hon. Mr. Handleman: What's the point of a compendium? Did the member read it?

Mr. Warner: I read everything that you send over, not everything makes sense.

Hon. Mr. Handleman: Let the member for Cornwall (Mr. Samis) read it to him.

Mr. Moffatt: As the Minister of Consumer and Commercial Relations said, only wages are controlled at six per cent.

Mr. Ferrier: The member for Scarborough-Ellesmere has the floor.

Mr. Warner: Thank you. I guess what is most disturbing about this bill, particularly in light of what went before it and the attitudes of the government prior to any bill about rent review, is—and I don't mean this in any sort of mean way or vindictive way—

Mr. Shore: Not you!

Mr. Singer: He said it. I don't know why you are so worried.

Mr. Warner: —that I really don't think that the minister's heart's in it, I really don't.

Mr. Nixon: I suspect the member for London North isn't really keen about it.

Mr. Singer: He never was.

Mr. Nixon: Without giving away caucus secrets.

Mr. Shore: It's the best piece of legislation.

Mr. Warner: Perhaps he would rather be minister of beer in the ball park, I don't know, but I don't think the minister's heart is in this whole business. I really don't think he has the protection of tenants at heart. He would like somehow to think that the whole thing could be done without any effort, that somehow the free-market system is going to take care of all those people out there; tenants won't have problems and we can do away with this. I have the feeling if we didn't have any anti-inflation programme around, if the federal government had decided to do away with it, we wouldn't even have this in here now. This government would let the tenants struggle individually and in small groups against those corporate giants Meridian and Cadillac.

Mr. Shore: What have the corporate giants done?

Mr. Moffatt: The member for London North is going to get a promotion. He is going to be parliamentary secretary to the member for Scarborough Centre (Mr. Drea).

Mr. Warner: Perhaps the member for London North should have someone read him the financial statements of Cadillac and Meridian and then tell me whether they're corporate giants or not.

Mr. Shore: Once you learn how to read, you might learn something about rent review. What about unions? Aren't they big giants?

Mr. Samis: Stand in line.

Mr. Deputy Speaker: Will the member for London North try to keep quiet just for a few minutes?

Mr. Warner: Thank you. It seems to me that the minister, in addition to including the six per cent in there and deciding that we should not automatically terminate The

Rent Review Act, should ensure that we could handle all of the appeals for one building in one calendar year. Take the expiry dates, the one that are coming up and the ones that have occurred, and let's deal with them in one hearing at one time.

He could also ensure that during that process the tenants would have the same advantage that the landlords have. The process he went through in producing a nice little book for the landlords, telling them how to go about rent review, could be done for the tenants. I don't think that's unreasonable, but if the minister thinks it's unreasonable I'd like to hear his argument on that score.

Appeal procedure, quite frankly, was always a mystery to me. I couldn't understand why things that were not allowed at the hearing were allowed at the appeal, and why the course of events that took place at the hearing to give the officer some notion as to what had happened got turned around at the appeal and why it had to be so awkward for tenants to take part.

When the landlord wants to go to an appeal, he doesn't even have to show up as long as he sends a lawyer and an accountant; and he can take that sum of money, whatever it is they charge him for their services, and enter it into the review process as an allowable expense. The tenant, in order to have a valid case, has to appear and in many cases takes time off from work. Is his loss of salary deducted from the rent increase or accommodated in any way? No, it doesn't happen.

Mr. Drea: Oh, come on.

Mr. Warner: The landlord can deduct the expenses of the accountant and the lawyer, but the tenant takes a half a day off work at his expense and there is no credit. The minister hasn't covered that.

Mr. Drea: Come on. You never went to one of the hearings and you know it.

Mr. Warner: By the time we are finished, I say to the minister, we are still going to have many of the built-in inequities that were there before.

And they can be solved. There is no great magic to it. The ministers of the government keep telling us they are brilliant bureaucrats, that they know how to organize and streamline things. All right; here's a chance to prove it. Let them show us how they can streamline this system to cut down on the paperwork, to make it more accessible for the tenants, to better inform the tenants of

their rights, obligations and responsibilities, and how the government is going to cut down on the cost. And let them show us how they are going to get a more equitable distribution of those people who are rent review officers so that they don't have to drag in every real estate agent they can find, but rather they can use other people in the community.

There is one situation in particular on which I would like some clarification from the minister. Maybe it was that the people I talked to didn't have the authority to tell me this, but in one particular review case I attended I was impressed with the rent review officer because he said, "I am not sure of the validity of these stories. I am going to inspect the building." He did that; he inspected the building personally. When he was finished, he made his deliberation and came up with a settlement that was agreeable to the tenants. They felt that the rent review officer had done a good job and that he was being fair and objective. I did too.

The question is, is this the normal practice? Is this something that is extraordinary for this particular rent review officer to do? Or is it something that the rent review officer should do if, in his judgement, the facts given by both sides are not clear or he is not convinced that they are clear? Should he then feel himself compelled to personally investigate the building, the books and so on?

I don't know. I never got an answer. I would appreciate hearing from the minister if that is an acceptable kind of procedure and should be written into the rules for the rent review officer.

Problems which cropped up through the rent review process in some cases turned out to be problems where neither I nor anyone else could deal with the owner, because the government does not say that the owner must identify himself. What the government has said in the rent review process is that the property manager, the owner and/or the property manager, or some person designated to be in charge of the building, shall place his or her name and telephone number in some conspicuous spot in the building. What that means for many of the corporate giants, is that they never have to put down the owner's name—only that of the property manager.

I realize, as the minister pointed out before when we dealt with the first Act, that what we are dealing with primarily is rent review and not landlord and tenant problems; somehow you want those separated. But try as you may, when the tenants come into the

hearing, they feel aggravated over their rents because of a series of problems that are related to The Landlord and Tenant Act. They say: "Maybe I wouldn't object so much to the increase in rent if the buildings were kept up properly." But the rent review officer can't deal with that. That is not his job. He is dealing with the figures connected with rent review. So, then they turn to me, as their member—as they have turned to other members—and say: "How do we go about getting the building fixed up properly?"

Well, the first thing we should do is get hold of the owner. There is no owner's name. It's property manager; some real estate company is handling it and they won't disclose who the owner is; they will only say: "We will get it fixed up in due course." The phrase sounds familiar.

I wonder if it is entirely unreasonable for us to ask if the minister could include in the bill that the owner's name be put on the building so that we know who the owner is. Then, if there are problems to be followed up regarding The Landlord and Tenant Act, that are not the responsibility of the ministry, we can follow them up. We will know who the owner is and we can go through that procedure.

Quite frankly I really do think that rent review is part of The Landlord and Tenant Act and at some point, if the government wishes to have a termination date it should seriously consider working rent review into the landlord and tenant process so that there is one set of rules, one Act, one person who is responsible for the whole business. By this means, when a tenant has a problem, whether it's his or her rent, his or her building that is not kept up, or whatever, it can be dealt with in one straightforward, simple manner. It isn't done now and I think it can be. Perhaps the minister will have some suggestions as to how that kind of protection will be extended to tenants.

In conclusion, while I support the principle of the bill, because it is better than nothing and it does afford some protection over the next 18 to 20 months, I am really disappointed that this government does not see as its obligation and responsibility the protection of tenants forever; that it will not protect tenants against one single gouging landlord. When those incidents occur in 1979, people are going to have to stand in this House—maybe the minister, as the official opposition critic—and ask the government to do something about it.

Mr. Singer: I want to add a few words in this debate. But before getting into it, I wonder what kind of thinking was going through the minister's mind when he suggested that we had a very limited time to debate this bill. He then proceeded to build up some rather unusual time limit of May 1, suggesting that something has to happen then and something has to happen on another day.

I recognize that the minister doesn't enjoy the democratic process. He doesn't enjoy the ordinary rules of debate applying to him. He doesn't enjoy allowing members of this Legislature to have a full and appropriate say on a very important piece of legislation. Nor is he prepared to explain the hoops that he and his colleagues jumped through before they introduced this legislation as a result of their being a minority government in the first place.

You remember, Mr. Speaker, what happened during the closing weeks of the campaign in 1975 when the minister and his colleagues, particularly his leader, had five different positions on 10 different days, insofar as what they were going to do relating to rent control.

Mr. Shore: Your heart's not in it, Vern.

Mr. Singer: You remember that?

Mr. Drea: That's when you were beat.

Mr. Mackenzie: You didn't do so well either.

Mr. Singer: The end result after the noses were counted and the seats were allocated was that to stay in power at all, the government had to bring in some kind of rent review control. And they did it with as much ill grace as was possible. The present minister said if he had to be associated with it any longer he'd resign. By his words you can tell how serious he was, because he's still here—he hasn't resigned.

[5:15]

The Minister of Housing (Mr. Rhodes) who had it for a while, obviously has a stronger voice in the cabinet caucus than this minister does, because that minister managed to pass the buck to this minister. So now we have this minister who, with ill grace, brings in this amendment because there still is a minority House, and because still they don't want to go to the people recognizing that they are making no provision to protect tenants.

In this municipality of Metropolitan Toronto—what is it?—50 per cent of the residents

live in apartments and as a result of what happened in the last election to the Conservative representation they just can't afford to arouse the ire of all of those people as they would do if they allowed rent controls to expire.

The member for Scarborough-Ellesmere wondered why there's an expiration date on this. The suggestion was, I think, pretty obvious that hopefully if they call an election shortly, they think they're going to have more seats. Then, if they get enough seats, they'll have the majority of the House and then they can allow the legislation to expire. That's the master plan, but hopefully the people of Ontario are not going to allow those people to bring into effect that master plan at all.

Mr. Drea: You won't be here.

Mr. Singer: Sure it is, no question about it.

Mr. Martel: That's what it is.

Mr. Drea: You won't be here.

Interjections.

Mr. Singer: Mr. Speaker, I would think that in casting this legislation, there should have been some realization in some quarters at least that all portions of the province of Ontario are not the same. There are some sections of the province where rent control is not needed or rent review procedures are not needed.

Interjections.

Mr. Singer: Where there is a sufficient vacancy incidence such controls are not needed. In talking to some of my colleagues, they tell me that in some of the areas of this province that situation does in fact prevail. Surely it would have made sense, rather than having blanket legislation to cover the whole province, that this would be tied in some way in relation to vacancy rates. CMHC publishes regularly a vacancy rate, and it is reasonably regarded that when the vacancy rate gets to be four per cent that the open market in fact does carry on, and there is competition, and rents are controlled in that way.

Mr. Shore: Four?

Hon. Mr. Handleman: Four?

Interjections.

Mr. Singer: It would have made sense. Mr. Speaker—to me at least—if the government had provided that where the vacancy rate has stayed say at a four per cent level for six months that that area could in fact be ex-

cused from having that kind of review. But where the vacancy rate exists at one per cent or less, as it does now in Metropolitan Toronto, certainly the tenants who are going to be affected by the abandonment of controls or review have to be protected. And they have to be protected for two reasons. One is because of the chaos their living conditions would then be under, and the other is because of the dismal failure this government has shown in its ability to get rental housing accommodation put on the market at affordable prices.

Mr. Good: Right, that's the problem.

Mr. Singer: We had a gesture the other day from the Minister of Housing who says that this government is now going to give \$600 in a grant to people who build rental units in certain areas which are ascertained by applying certain criteria. That's not a bad step. That's a step in the right direction. But why has it taken so long?

Surely the government had to recognize a year ago, two years ago, five years ago, that there was a shortage of affordable housing—a shortage of rental accommodation. Surely the government should have moved then, not just at this hour—\$600 a unit? Fine, good thing. But what about the red tape insofar as planning and development and rezoning are concerned? What about the cost of sewers, water mains, roads, those sort of things? What about those municipalities who can't afford to further burden their taxpayers by taxes on real estate to allow further development? When is the government going to do something about that? When is it going to unlock the road block that exists in front of building more housing accommodation and more rental accommodation? Those are the things it has to get at.

Until it does, I'm afraid I have to agree with those members of the official opposition that these controls have to stay. They have to stay where the incidence of vacancy is low enough to cause real concern and real hardship on the people who cannot get accommodation within their means. That's what the crux of the situation is.

Mr. Drea: All this from the lawyer of Gerhard Moog.

Mr. Singer: All the great speeches about free enterprise, competition in the marketplace and so on are meaningless—when we get one group who are unable to protect themselves and another group of people who want to take every advantage of a scarcity situation. Surely it is a job of this government to

protect people who are otherwise unable to protect themselves—

Mr. Drea: All this from the lawyer of Gerhard Moog.

Mr. Singer: —people of low income, people who are not employed, older people, people on fixed pensions and that sort of thing.

Interjection.

Mr. Singer: Those are the people who have to be protected, and the government has got to recognize that these people need protection as long as they are in this impossible situation existing in our big cities, existing in places like Metropolitan Toronto.

Mr. Drea: You're not on retainer from Gerhard Moog any more.

Mr. Breithaupt: That's as stupid a comment as you've made for some time.

Mr. Drea: Don't you push me.

Mr. Acting Speaker: Order, please. The hon. member for Wilson Heights will continue.

Mr. Singer: Thank you, Mr. Speaker.

One has to recognize that the system as it was set up has many flaws in it. Some of them have been outlined by the members who have already spoken—

Mr. Martel: Will you Tories get out of the gutter this week at all?

Mr. Acting Speaker: Order, please. The hon. member for Wilson Heights will continue without all the interjections.

Mr. Singer: Thank you, Mr. Speaker.

There has to be a recognition that the system as set up was set up in a hurry. It is a flawed system and it is a system that is weighted heavily in favour of the people who are best able to protect themselves, the wealthier people.

For instance, there has to be a system of availability of appropriate advice to the tenants. So often, when they come to the rent review officer or to the appeal board, they are met by accountants and lawyers who are familiar with cost accounting, who are familiar with taxes, assessments, costs, depreciation and that sort of thing. They step into a world that is completely strange to them, and they are compelled to try to cope with that kind of argument without any assistance at all.

Surely the ministry could make available lists of accounting firms and legal firms who would be prepared to take on this kind of advice for those people who have to go before the boards and provide it—not for free, but at reasonable cost. One has to recognize that when the giant fights with the pygmy, the pygmy needs some very substantial assistance. That assistance is not being given, and that is one of the sources of the greatest complaint that exists. When I've been to those hearings, and when I've talked to tenants in my riding, these are the things they're concerned about. They don't understand, and nobody bothers to explain to them. The rent review officer isn't able to explain it to them and hasn't got time. And certainly the landlord, who is asking for an increase in their rent, isn't anxious to explain it to them; nor is he able to make his advisers available to them. So that kind of thing should be done.

Mr. Drea: Yes, especially when he is a lawyer.

Mr. Singer: Can't you keep that nattering down to a low level, Mr. Speaker? It's disturbing, I suppose, to the Hansard people—

Mr. Shore: You can hear yourself that way.

Mr. Acting Speaker: The hon. member will continue. The Speaker can hear the hon. member quite well and will continue to listen to him.

Mr. Singer: Thank you, Mr. Speaker. I appreciate that.

Mr. Drea: A retainer, as always.

Mr. Singer: The second thing that is of very grave importance is the availability of documents to the tenants. There has been all sorts of wrangling here in Metropolitan Toronto about whether or not the tenants are entitled to see the documents that are produced. Rather than allow them to be copied—and surely a system of providing copying machines for rental use to the tenants could be worked out.

Hon. Mr. Handleman: It has been.

Mr. Singer: Oh, it hasn't been worked out. They still have to go in and copy out the documents in longhand. Yes, yes, yes.

Hon. Mr. Handleman: No, no, no.

Mr. Singer: Let the minister come with me to some of the hearings in and around Metropolitan Toronto and he'll see that. Copying machines are not available and again the

tenants are under grave disability insofar as getting appropriate information is concerned.

Advice to tenants has already been touched on by one of the earlier participants in this debate. There is a booklet that provides explanations of the statute to landlords, but an appropriate document providing advice to tenants should be made available and it's most important that it be done.

On the question of notification. At the present time the party initiating an appeal hearing must obtain a list of people who are eligible to appear at the original rent review hearing and the party has to give personal notice to each of the people appearing. I guess I have to put on my glasses.

Once the appeal has been filed, the rent review office should take over the notification. The office has the facilities for making copies of notices, as well as having the lists of those to whom the notices should be sent. A very simple amendment, Mr. Speaker, and an amendment that the ministry could well initiate.

Concerning rent review and appeal board decisions as it is now legislated: A rent review decision applies to every tenant concerned with the hearing regardless of whether the tenant appeared at the hearing or not. However, to appeal a rent review decision, the tenant must have appeared at the original hearing. Once an appeal decision has been made, it applies only to the tenants who have appealed.

There is an amendment that purports to deal with it, but it has some peculiar language, "a valid reason," or something. What that, in fact, means is very hard to determine. I would hope, Mr. Speaker, that the minister would be a little more explicit and try and be of a little more assistance to tenants without putting them through such complicated steps as to have to explain—what is the wording of the section?

Hon. Mr. Handleman: You haven't read it before?

Mr. Singer: "Circumstances beyond his control." I don't know what the heck that means. Why should there not be an ability to the tenant, if he has any reasonable excuse, to be able to carry on—not just circumstances beyond his control, which allows subjective decision by the appeal officer? There should be built-in rights to the tenants to be able to get their full appeal hearing if they want to and not be tied in with this kind of red tape which they don't properly understand.

The question of flexible controls I've already dealt with. The availability of docu-

ments for professional assistance. Those are things, Mr. Speaker, that I think should be done and included in the statute.

I don't know if the minister happened to get to see the article, a rather good one, in the *Toronto Star* on April 16—that's last Saturday—dealing with the system that presently exists. It's rather a good summary and not particularly partisan. A couple of quotations from that article:

"If government is really interested in providing sufficient rental accommodation at an affordable price, it's going to have to provide the industry with support in the form of incentives."

I agree with that, and I've already commented on what the Minister of Housing said, but that's only the beginning. The government has to do all of those other things. We've been talking about them here for years and none of them are really being done.

"William Robbins, the executive director of Ontario's Residential Premises Rent Review Programme, said, 'The legislation was designed as a temporary measure to spread oil on the troubled waters'—troubled waters? They're troubled election waters—'and to put a halt to the inflationary rent increases. As such, I think, it has been relatively fair.'"

William Robbins talks as though those things have all been accomplished and the problem pretty well has gone away. But look at some of the statistics that Richard Conrad quotes: "More than 90 per cent of the 26,000 appeals on review decisions have been initiated by landlords and about 50 per cent of those have resulted in increases in rental." Surely that speaks more eloquently than anything else, Mr. Speaker, for the fact that the landlord has the very great advantage of going through the first hearing, the second hearing and, at least, in 50 per cent of the 26,000 appeal hearings, the landlord has been successful. That has to reinforce the argument that the tenants need more assistance than they're presently getting and the ministry has to make sure that that is, in fact, done.

[5:30]

Let me read at random a few other quotes out of this: "Tenant groups in Toronto also are pushing for the implementation of changes that would enable tenants to easily learn what legal maximum rental was for a particular unit. The incidence of illegal rents is increasing daily and if a rent review is continued, we feel that this is a major problem."

My colleague from Perth mentioned that earlier on.

"Robbins denies accusations that the Ontario programme has resulted in the creation of a bureaucratic mess."

I would like to hear from the minister. The minister's comments about the situation was something less than an expression of pleasure. I don't know whether he would admit there was a bureaucratic mess or whether he would agree with Robbins that it isn't a bureaucratic mess. But if these controls are going to be with us for a while, and I suspect at the pace we are building affordable housing and affordable rental units it is going to be much longer than the end of 1978, then the minister has got to put his bureaucratic house in order. He has got to understand what he is doing and get about it in a proper and a fair way.

"Sure, the Act is complicated," says Robbins, "but playing with rents is a serious and complicated business."

That's true but if it's a complicated Act, and Robbins says it's a complicated Act and so do the tenants who try to cope with it, then the minister in fairness has got to take steps to give explanatory pamphlets and books to those people who can't properly understand it. All of the tenants haven't got university education. All of them aren't used to reading statutes. All of them aren't used to a legal or quasi-legal kind of system that deals with their rights and can affect their economic well-being.

The minister has to deal with people on the basis that they can understand and he hasn't taken those steps. He has denied them explanatory pamphlets and he has denied them professional assistance. He sends them into those hearings really with one hand tied behind their back. That's what's unfair about this legislation as it presently exists and the minister has caught up very few of these things in the amendments he is bringing in.

There's the story. If the government is serious and not just paying lip service to this whole problem, if the government is seriously concerned—and I suggest it has got to be—about tenants' ability to cope with inflation and to cope with the very grave shortage of rental units of any kind in places like Metropolitan Toronto, then it should have a better Act than the one it's bringing in.

Yes, we have it here and it's going on at least until December 31, 1978. That's a step in the right direction and we will support it in principle. But I would hope that the minister will pay serious attention to the comments that have been levied about the present statute and the comments that have

been made about the present administration and will try to introduce into this statute, before it gets too much further, appropriate amendments to take care of some of the most serious and obvious defects that the statute now has.

Ms. Gigantes: I would like to make a few comments in the course of this debate about the biggest landlord in North America and the worst landlord without a doubt in the province of Ontario. That's the Ontario Housing Corporation. When we go back and look over the history of rent review legislation in Ontario, there's one very very sad part to the history.

Mr. Speaker: Order, please. I believe this bill hasn't anything to do with the rental accommodation owned by Ontario Housing. Am I mistaken about that? No, it has not. It's not part of the bill.

Ms. Gigantes: It's precisely this lack I would like to bring to your attention, Mr. Speaker.

Mr. Speaker: I beg your pardon.

Ms. Gigantes: I would like to bring to your attention the fact that hundreds of thousands of people who live in Ontario Housing Corporation houses in the province of Ontario, run by the government of Ontario, do not have any protection under this Act. They were offered protection in the previous Act when it was first introduced.

Mr. Speaker: Order, please. That has nothing to do with the principle of this bill.

Ms. Gigantes: I believe it has.

Mr. Speaker: Irrespective of what is lacking, all the hon. member can do is bring in her own bill if she wants to promote that.

An hon. member: There are students, nurses and all sorts of people in public housing.

Mr. Martel: You can speak to what's missing in a bill.

Mr. Grande: The principle of the bill is rental accommodation and she should be allowed to speak!

Mr. Speaker: You can bring that up at other times or introduce your own bill. You can speak about it at the budget debate, it has been suggested. But it is not part of the principle of this bill and therefore it is out of order for any discussion at this time.

Ms. Gigantes: Mr. Speaker, as I understand it, with your indulgence, what we're looking at now is a continuation—a bill to continue the legislation of rent review under which we've operated in Ontario since the last election. The original bill which was passed by this House included those hundreds of thousands of tenants who are tenants of Ontario Housing Corporation—

Mr. Speaker: I point out to the hon. member, and I'm sure she's quite aware, that that was omitted by a later amendment and, therefore, it is not part of this bill or the existing legislation. Therefore, it's out of order to discuss that particular matter at this time. There are other opportunities to present your viewpoint—I appreciate that. Just discuss this bill.

Ms. Gigantes: If I may then, I would like to talk about the administration of the previous bill which this bill does not follow up in all its measures. The administration of the previous bill went as follows: It covered Ontario Housing Corporation tenants—

Mr. Speaker: Order, please. That bill is no longer a bill, it's no longer legislation, therefore it is not proper to discuss it, I point out again. Will the hon. member please respect that?

Ms. Gigantes: Mr. Speaker, I'm trying to address myself to what I feel is a lack in this bill.

Mr. Speaker: It's not debatable at this time. There's opportunity to—

Mr. Makarchuk: On a point of order, Mr. Speaker.

Mr. Speaker: Order, please. That is the order, and every hon. member knows that. The second reading is a discussion of the principle of this bill and has nothing to do with Ontario Housing Corporation. It's not amending that previous bill. I remember an original bill did include it; it was changed and, therefore, it is not existing legislation. This bill is amending the existing legislation—not what was originally introduced some many months ago. This is a proper interpretation of it, therefore it's out of order to discuss the matter of Ontario Housing rentals at this time. That's the last time I hope it's necessary to say that. You may present your viewpoints along those lines on another occasion, but not in discussing this bill, please.

Mr. Grande: I think you should insist.

Mr. Roy: Are we next?

Mr. Speaker: Are there further comments you wish to make on the principle of the bill?

Ms. Gigantes: Mr. Speaker, I'm somewhat baffled by your interpretation and—

Mr. Speaker: Order, please. The ruling is not debatable. I have repeated it three or four times and I'm sure that it's a correct ruling and, therefore, you are not allowed to discuss the matter of Ontario Housing.

Ms. Gigantes: I have to bow to your judgement, Mr. Speaker, and I regret that missed opportunity in which I hoped to be able to tell you about my feelings about the lack of coverage for the largest—

Mr. Speaker: I can't help it. Surely, I don't have to repeat myself again. You either discuss this bill or we'll have to call on the next speaker. If you wish to discuss this bill you may, but not something that's not before us.

The member for St. George may continue.

Mrs. Campbell: I too am pleased to join in this debate. I am very pleased, of course, that the government has seen fit to bow to the will of the opposition in this House, to extend the operation of this bill.

[Applause]

Hon. Mr. Handleman: You are reading Mike Cassidy.

Mr. Kerrio: We've got you working in the right direction, now we have to keep you going there.

Mr. Roy: Do you want us to quote your press clippings again, where you are going to resign?

Mrs. Campbell: It shows the value of a concerned opposition in our legislative process.

I am concerned that the date is a fixed date. I had hoped that with all of the ingenuity and all of the expertise of government we might have related the end of this legislation to a vacancy rate. A vacancy rate has been accepted in this country for many years and for many purposes, and I feel it is very sad that the minister can't relate to a vacancy rate—or that he doesn't apparently, understand a vacancy rate. However, the extension, as I say, is of vital importance to a great many people.

We have heard a discussion about the proposed eight per cent. So far as I am concerned, if the principle of this bill as the government has introduced it is to relate to the AIB, then of course we would, I assume, be following the guidelines of the AIB in their entirety, but I am a little puzzled that the government which cannot find a way to deal with vacancy rates—which would then tie it into AIB—doesn't follow the full procedure of tying it in completely to the AIB guidelines.

Mr. Reid: No co-ordination. They all operate in a vacuum.

Mrs. Campbell: Another thing that disturbs me is that in the principle of the total bills on rent review, we did see the government take a position which I applauded at the time—that was to relate the rent to the unit and not to the individual tenant. Yet there has been nothing here to protect the tenants from any kind of illegality which may arise, particularly in major cities, where tenants in a building do not tend to know one another very well. When one tenant moves out, a new tenant coming in is not able to ascertain the rent which was charged to the previous tenant. So, the principle of unit determination falls in part, because of the lack of any kind of system of registration of rent.

It does seem to me that if we are really anxious to avoid illegality, this is certainly one of the areas where there is a gap large enough to drive a truck through. In my view, we should have a registration system whereby a tenant may ascertain what the previous rent was.

I hear such plaintive notes from the other side. But if they're that plaintive, may I say that it makes one wonder as to just how real the concern is to ensure that there is no illegal increase once a tenant has moved out.

Hon. Mr. Handleman: He just has to ask the rent review officer a simple question.

An hon. member: They haven't got their heart in the bill.

Mrs. Campbell: Well, I know they don't.

Mr. Speaker: Order, please. The hon. member for St. George has the floor.

Mrs. Campbell: I'm not, as my friend from Scarborough-Ellesmere suggested, unaware of their lack of real commitment. I am saying that even if the government only wants to make it appear that it has a commitment, that is the kind of gap that has to be plugged.

You know, there is this other thing. I've written a letter to the minister; I don't know whether he has received it yet. But I would like to point out the kinds of things that are happening today in the riding of St. George. I wrote to him about some limited dividend housing. There is no doubt that there are very real problems for the tenants in coming to grips with the accounting system.

[5:45]

Hon. Mr. Handleman: CMHC.

Mrs. Campbell: I don't know if the minister made an interjection; if he did, I didn't catch it.

Hon. Mr. Handleman: I just say it is the CMHC accounting system.

Mrs. Campbell: No, no, Mr. Speaker. The limited dividend housing is under rent review. What we're having to see is that these tenants, first of all, in an unaccountable fashion, although the tenants wish to appear as a group, are being denied this opportunity. They are meeting in small groups with rent review and of course they're immediately at a disadvantage. Because the landlord is there for each of these hearings. He has continuity for each of these hearings, the tenants do not. And without assistance to them in the accounting system they are really facing an intolerable onus in the preparation of their case.

What makes it even worse in this particular case—if you can envisage an area which is known locally as St. James Town. Here you have one developer who owns massive apartments which are conventional apartments—he owns the two limited dividend properties, and he manages the Ontario Housing operation. As I pointed out to the minister, I did get a rough accounting which was presented to the people and right off the surface it was clearly indicated to me, and I am not an accountant, that the amounts indicated for landscaping, for example, must have been a sheer waste of money since there never was any landscaping.

It is quite possible in this sort of an operation for a mingling of accounts in such a way that the tenants are unable to really get through, without greater expertise than I have or than they have. In a case such as that, surely if one is committed to assist these tenants there should be available to them accountancy services in order that they may do a careful analysis of the different accounts.

I would like to say in fairness to the minister here that I also made that plea to Ottawa some time ago when the Hon. Mr. Danson was the minister. I pointed out that I felt it was an injustice to these people not to have that kind of assistance where you have one owner owning such a vast project of very different kinds of accommodation and managing Ontario Housing as well.

I think it's quite possible that the accounting is not something that any person can undertake unless that person is highly expert. So I have that appeal to the minister—that at least in those situations we might make a start in trying to assist tenants in these problems.

Mr. Speaker, I'm aware that there are others who wish to speak. I will conclude at this point. I would love to talk much longer on this bill. Thank you.

Mr. Mackenzie: My remarks on this bill and the amendments are going to be very brief, but they do, I think, speak to the bill and to some of the shortcomings of the amendments in it that bother me a bit.

One of the things that we found to our dismay in the Hamilton area is that the rents that were originally claimed by the landlords—and they ran I guess on an average close to 20, 22 per cent, 25 per cent in some cases; I think the highest I got involved with was about 35 per cent—were rolled back in almost every case to the 10 to 12 per cent range.

I said at the time we were debating this bill previously that the problem, apart from the lack of housing which we all recognize, was a handful of the landlords in my city. I can almost name them to you. Half a dozen—unfortunately two or three of them major ones—that we are going to have the trouble with. It is surprising how often there is a relation to the trouble we have with the rents they are charging and the appeal processes that we have had and the number of calls we have had at the same time with the local inspectors or health boards. In one case we have a file about three feet long of problems in a series of four buildings.

One of the things that bothered me, and I got it to the appeal stage too, was the use made of the vacancy rate in some of these units. I could never understand it—it is one of the things that the rent review officers seem to jump on and cut back. But what happened with all of the sharpies, and I use the quote literally, was that they did appeal. Where they appealed the people, having had the original rent increase rolled back, were

paying what it was rolled back to. We waited in many cases almost a year—eight or nine months was not uncommon—for the appeal boards. And what I found at the appeal boards was that the arguments that took place at the original hearing did not seem to carry any weight whatsoever—as a matter of fact they were ignored—and we ended up with the rents being rolled back up, in almost every case, within one or two dollars of the original amount.

I don't see the protection also that says that having waited eight, nine or 10 months especially where they paid what they thought was going to be close to the figure—the rent review officer's decision—why then when the appeal board raised it and they found they were behind a good chunk of money, these same people get a letter immediately ordering them to "pay up or we will give you notice to get out." Certainly I don't see that kind of protection in the few amendments that are here, and I think it is one of the things that should have been in this particular bill.

I don't know how, as I said before, they could use the argument of the high vacancy rates on the cost side of it. I don't know what you'd do with this, Mr. Speaker, and I don't know how the minister will respond to it. My basic worry now is that I don't see in his amendments where once they went to the appeal—and it is not the tenants, it is the landlords in every case—there was no appeal to that decision. I did go along with my colleague from Wentworth (Mr. Deans) and talked to the appeals board chairman. He listened and I think gave us a reasonable hearing, although no satisfaction. But one of the arguments that we got from him was that it was "too bad I didn't really know that you were having these problems in advance." In many cases we didn't hear about the decisions until the tenants came to us following the appeals.

There is simply in this bill no protection for tenants in this kind of a situation. We did get a 35 per cent increase in the Jerome Court Apartments. We got up to 20 per cent in the whole Granville Delawanna complex, and there is not a lousier situation in Hamilton than in some of those apartments.

Mr. Shore: Who is we?

Mr. Mackenzie: I am talking about the people.

Mr. Shore: Oh I see.

Mr. Mackenzie: I try to represent them, Marvin, I didn't make my money on bankruptcies either.

I am really upset, Mr. Speaker, that the minister hasn't seen fit to take a look at this particular area of the bill. Certainly there should not be more than a six per cent increase. In most of those apartments there shouldn't be any increase at all. We should be setting a set figure and not allowing the eight per cent or above that on the appeal stage; I think we are beyond that stage now.

Mr. Speaker, I do wish, just on the basis of consideration of the tenants in these buildings, that the minister would take a look at this omission in his particular amendments to this bill.

Mr. Speaker: Do any other hon. members wish to speak to this bill?

Mr. Samis: I'll see if I can wrap up my remarks in the very brief amount of time allotted. May I say, first of all, I wholeheartedly support the introduction of this legislation. Frankly, I don't see where the government had any real choice in the matter, with the AIB being continued. I recall quite vividly—in 1975, I think it was—how this government embraced the introduction of the AIB; the way they supported it sort of reminded me of the fervour of Moose Dupont in the frenzy of a head-hunt in front of the Maple Leafs net.

When this legislation is passed by this House, and as expeditiously as possible, I would hope this minister would make a commitment to both the tenants and the landlords of this province that he won't go around the province bad-mouthing the bill or saying it can't work or saying it just doesn't solve the problem that we are trying to cope with.

Hon. Mr. Handleman: It doesn't.

Mr. Samis: I hope he will keep quiet and try to make the best of the bill we have until its date of expiration, instead of continually saying, as the minister responsible, this doesn't really solve the problem. We all know it is a temporary measure, but I think it is incumbent upon him as a minister of the Crown administering this legislation, to make it work as well as possible, and not to go around demeaning it merits.

My colleague from Scarborough-Ellesmere has already questioned the fervour and the enthusiasm that the minister has for the bill, and I think it is pretty obvious how little he does have. But the minister should support what the Legislature does pass; and I assume this will have support from all three parties.

I think he is obliged to uphold the consent and the virtually unanimous support that this bill will get in the Legislature.

I don't see rent review as the final or ultimate solution to the overall problem of the shortage of rental accommodation, and that essentially is the problem. When the controls disappear, obviously we will have to confront it in a more basic form, namely the supply available.

Hon. Mr. Handleman: Now.

Mr. Samis: The government has made an initial step, and that obviously deserves support. But I don't agree, within the purely federal Liberal context that John Turner always used to argue, that all you had to do was build more houses and that would solve the problem, because it obviously goes much deeper than that. The step the government took yesterday was one initiative. It won't solve the problem, but it is an initiative beyond just the freeze; and I would support that. I would say there are other initiatives that are needed to cope with the problem before 1978, when the controls come off.

Hon. Mr. Handleman: Right. That's what the speech said.

Mr. Samis: One thing I personally would give serious consideration to is that when the controls do come off, there should be some form of lasting mechanism—not rent control, maybe not rent review—

Hon. Mr. Handleman: Right. Tenant protection.

Mr. Samis: There will be a danger of some people exploiting the complete absence of controls, and I would suggest the minister give some consideration to the Quebec system of the rental commission.

Hon. Mr. Handleman: Come on over here.

Mr. Samis: No, no; I wouldn't go that far. It's too drastic a step.

Mr. Shore: They may kick you out.

Mr. Samis: The rental commission does give a third agency that someone can refer to if they think they are being grossly exploited. I know the Tories have some philosophical objections, but I don't think we should go from rent review to complete laissez-faire. I would trust that this ministry would support some other form of legislation, when this bill expires, to protect those cases where there will be gouging. I think we both agree there will be some cases of that.

Hon. Mr. Handleman: You'd better have a talk with them; you are making sense.

Mr. Shore: You better watch it; you are making sense.

Mr. Samis: I put no percentage on it. All I say, as the member for Wilson Heights (Mr. Singer) said, is that those people—

Mr. Moffatt: We recognize the sense.

Interjections.

Mr. Speaker: Order, please. The hon. member for Cornwall will continue.

Mr. Samis: Thank you, Mr. Speaker.

In terms of percentages, with the AIB being so rigid and specifying an exact percentage, I would gladly support the amendment put forward by my colleague from Perth. Frankly, it surprises me a little bit. I know the Perth County Conspiracy is well known across this country, but I never thought the member for Perth would advocate such a rigid, statistical AIB definition of his party's policy.

Mr. Edighoffer: Are you qualified?

Mr. Samis: I am really pleased to see how specific the member has made his particular party's policy.

One thing that does concern me, Mr. Speaker, in the very brief amount of time left, is that regardless of the form of the legislation—I speak from the cases in my own particular riding—it disturbs me that there are still people in this province, regardless of the final form of this bill, who won't receive the benefits because they are intimidated by landlords. The landlord will say, "I am raising this percentage. Do what you want. But I am throwing you out if you go to rent review." These people are so easily intimidated, I think it's a matter of serious concern.

In wrapping up, Mr. Speaker, with the witching hour approaching, may I say I support the bill and I will gladly support the amendment offered by the member for Perth.

Mr. Speaker: Are there any other hon. members who wish to speak to the bill?

Mr. Moffatt: Yes.

Mr. Speaker: All right. It being 6 o'clock, perhaps you might move the adjournment of the debate.

Mr. Moffatt moved the adjournment of the debate.

Motion agreed to.

The House recessed at 6 p.m.

APPENDIX

(See page 645.)

Answers to questions were tabled as follows:

25. Mr. Renwick—Inquiry of the ministry:

Would the Minister of Housing advise what total consideration in cash or otherwise was paid by Ontario Housing Corporation to Headway Corporation Limited, a private company incorporated under the laws of the province of Ontario, having its head office at the city of Thunder Bay in the district of Thunder Bay upon the conveyance by that corporation to Ontario Housing Corporation by deed dated November 20, 1972, registered as number 231048 in the registry office for the registry division of Frontenac (No. 13) as of 4:07 p.m. on November 30, 1972, of the land and premises in the city of Kingston in the county of Frontenac, being all of Blocks D, DD, H and HH, L, and M, on a plan registered in that registry office as plan 1592? Tabled April 6, 1977.

Interim answer by the Minister of Housing (Mr. Rhodes):

The answer to the above-noted question, (Question No. 25, Order Paper No. 7) will be time-consuming to prepare. My staff is at present working on the response, and upon completion, I will forward the answer to you.

26. Mr. Moffatt—Inquiry of the ministry:

Would the Minister of Revenue indicate what are the amounts of sales taxes or other taxes collected at the provincial level from the sale of (1) gasoline, (2) diesel fuel, (3) heating oil, for each of the years 1973, 1974, 1975 and 1976? Tabled April 6, 1977.

Answer by the Minister of Revenue (Mrs. Scrivener):

The revenue collected for the calendar years 1973, 1974, 1975 and 1976 from the sale of gasoline and diesel fuel was:

	1973	1974	1975	1976
	\$	\$	\$	\$
Gasoline	458,791,023	489,173,928	502,818,712	505,716,164
Diesel fuel	68,824,766	77,323,008	74,137,507	77,325,948

These figures are for the calendar years as implicitly required by the question and do not coincide with published figures which are for government fiscal years.

Heating oil, that is middle distillate fuels used for the heating of industrial and commercial buildings and private dwellings, is not subject to provincial taxes.

27. Mr. Moffatt—Inquiry of the ministry:

Would the Ministry of Colleges and Universities indicate why: 1. Colleges and universities cannot have the same date of admission application; 2. If the dates of application are not coincidental, why are funds collected by one institution not refunded when the applicant is accepted by another college or university? Tabled April 6, 1977.

Answer by the Ministry of Colleges and Universities (Mr. Parrott):

Application Dates

Applications for early admission to universities from secondary school students are usually made in November and December, although most universities accept applications up to immediately prior to June 17, which is the date when offers of early admission are made. Universities having vacancies after this date accept applications well beyond it, sometimes into the summer. There is, therefore, no single deadline date for the university system as a whole, although the bulk of applications from secondary school students comes in November, December and January at roughly the same time as CAAT applications. A fee of \$7 is charged to cover the cost of processing any number of applications through the Ontario Universities' Application Centre.

Similarly, there is no specific deadline for college applications. Ontario students may apply (without charge) to colleges from January 1 until immediately prior to March 15, which is the date when offers of admission are made.

Acceptance Dates

Offers of admission to university are not made before June 17. Admission is based mainly on the secondary school record; the mid-year grade 13 marks of students are key to the selection. The marks are forwarded to the universities in April and the universities then use six weeks to make the selection. According to the secondary school Headmasters' Council, April is the earliest opportunity by which schools can give the universities a reliable set of marks that are fully representative of the students' academic performance in grade 13. Some universities require a non-refundable deposit on tuition fees from applicants accepting offers of admission.

Offers of admission to colleges of applied arts and technology are made on March 15. The colleges use various selection criteria, such as interviews and personal tests, which require considerable lead time.

The Council of Regents and the Committee of College Presidents have given considerable attention to acceptance dates and have concluded that the March 15 date best serves the needs of the college system. All colleges require a non-refundable deposit on tuition fees from applicants accepting offers of admission.

It may be noted that the majority of secondary school counsellors wish to maintain the current practice of different acceptance dates for colleges and universities.

Refunds

The \$7 application fee for universities is for the application service only and is therefore non-refundable. Application service costs in the colleges are borne by the institutions and are nil to applicants.

The non-refundable tuition deposits required by some universities and all colleges represent a commitment from prospective students. On the basis of this commitment such functions as planning, staffing and timetabling proceed in order to have programs operational for the students. This preparation—including application service costs in the colleges—represents a considerable investment which has been made on behalf of the student. If the student subsequently decides not to attend the institution, the deposit is retained and applied to costs incurred.

This does mean that, if a candidate applies to several colleges and universities, the non-refundable commitment is \$7. If, however, the candidate accepts offers of admission at more than one institution, the deposits will be forfeited at all but one school.

The matter has been discussed by the college and university communities before and it appears that such instances are rare and do not warrant pressuring the two systems to a common set of dates. I would, however, be happy to discuss specific cases of hardship with the colleges and universities concerned.

28. Mr. Mackenzie—Inquiry of the ministry:

Will the Minister of Labour table the number of active files on the desk of each claims review officer at the Workmen's Compensation Board and the number of overtime hours that each claims review officer has worked over the last six months to March 31, 1977? Tabled April 7, 1977.

Interim answer by the Minister of Labour (B. Stephenson):

This data is being assembled by the Workmen's Compensation Board and will be forwarded as soon as possible.

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Legislature of Ontario Debates

Official Report (Hansard)
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Fourth Session, 30th Parliament

Tuesday, April 19, 1977

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 19, 1977

The House resumed at 8 p.m.

NOTICE OF MOTION No. 3

Hon. Mr. McKeough moved that this House approves in general the budgetary policy of the government.

Mr. Breithaupt: Stop while you're ahead.

Hon. Mr. Welch: Dispense.

BUDGET STATEMENT

Hon. Mr. McKeough: Mr. Speaker, before beginning my budget presentation tonight I would like, first of all, to acknowledge the presence in the House of my deputy minister, Mr. A. R. Dick; the Deputy Minister of Revenue, Dr. Terry Russell; and the Secretary of Management Board, Mr. William Anderson. These gentlemen, along with their excellent staffs, deserve full credit for their efforts in preparing the budget, writing it and making it happen. On behalf of my colleagues, the Minister of Revenue (Mrs. Scrivener) and the Chairman of Management Board (Mr. Auld), I'd like to express our collective and heartfelt thanks.

Mr. Breithaupt: Don't blame them.

Hon. Mr. McKeough: I'm also delighted that in your gallery tonight, sir, are three very distinguished gentlemen who are former Treasurers of this province—Mr. James Allan, Mr. Charles MacNaughton and Mr. John White.

Mr. Reid: They were BD—before deficits.

Mr. Breithaupt: They didn't have any deficits, as I recall.

Mr. Foulds: Is that a trinity or a triangle?

Hon. Mr. McKeough: Mr. Speaker, this is the fifth budget that I've had the pleasure to present to this House as Treasurer.

Mr. Sargent: All deficits.

Hon. Mr. McKeough: Through you, Mr. Speaker, to the gentleman on my right, despite any protestations that my own budget

maker may have, and she is also in the gallery tonight, I might say I have every expectation of delivering at least five more in the service of this government.

Mr. S. Smith: A budget a day for the next week?

Mr. Breithaupt: Hope springs eternal.

Hon. Mr. Davis: Applaud that.

Mr. Sweeney: The province couldn't afford it.

Mr. Laughren: There's something that you learners should learn, Jim.

Mr. Speaker: Order, please. On with the business.

Hon. Mr. McKeough: Mr. Speaker, the 1977 budget, which I am presenting tonight, will reduce Ontario's cash requirements by \$311 million. This large reduction will be achieved by constraining the growth in our spending to nine per cent or \$1.1 billion, while revenues will increase by 12.9 per cent or \$1.4 billion. This responsible fiscal plan builds upon the gains of last year, uses our finances to maximum benefit and frees up resources for the private sector to ensure the continued prosperity of the Ontario economy.

The government has instituted tough measures over the past two years to reduce the growth of public spending in Ontario. These measures have been successful. I am pleased to repeat that our 1976-77 spending will actually come in \$11 million below the original estimates, the first time since 1947 that this has been achieved. This demonstrates that government can cut costs, can set priorities, and can live within its means.

Mr. Roy: And can listen to advice.

Hon. Mr. McKeough: My colleagues and I believe we must hold firm to this course of restraint spending, not just for 1977 but for the longer run as well. This budget extends the government's fiscal planning horizon beyond the traditional single year. It projects the revenue yield we can expect over the next three years without resorting to tax increases, and it sets out the spending limits we can afford if the budgetary deficit is to be

progressively reduced and ultimately eliminated. Our objective is to have the capacity to balance the Ontario budget by 1980-81. This is not an inflexible commitment—

Mr. Singer: No.

Hon. Mr. McKeough: —indeed, economic conditions or social needs may make it inappropriate or even impossible to achieve this target by 1980-81. Still, we must make every effort to move steadfastly towards a balanced budget. That will require determined self-discipline—

Mr. Sargent: What do you mean, a balanced budget?

Hon. Mr. McKeough: —and day-to-day resistance against the temptation to spend and to borrow.

Mr. Sargent: Never in your life.

An hon. member: He's never balanced a budget.

Hon. Mr. McKeough: Canada needs at this time a long-term solution to the very basic problems that have become impediments to our economic future. To focus exclusively on short-term remedies for fundamental ailments will lead us right back to the position we are in now—

Mr. Martel: How did you get there, then?

Hon. Mr. McKeough: —a condition of excess tax and debt burdens for Canada and Canadians—

Mr. Martel: What brought us to that position?

Hon. Mr. McKeough: —compounded by a further weakening of our ability to match foreign competition.

Mr. Sargent: You put us there.

Hon. Mr. McKeough: Higher tariff barriers and industrial subsidies are not the answer, nor are larger government expenditures. One has to be impressed with the wisdom of one respected politician who said recently, and I quote:—

Mr. Lewis: Suddenly respected.

Hon. Mr. McKeough: —“We used to think that you could spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you, in all candour, that that option no longer exists, and that in so far as it ever did exist, it worked only by injecting bigger

doses of inflation into the economy followed by higher levels of unemployment as the next step. That is the history of the last 20 years.”

That statement was made by someone who is most familiar with the problems of public sector growth, the Rt. Hon. James Callaghan, Prime Minister of Britain's socialist government.

Mr. Martel: You just about choked on that word.

Hon. Mr. Davis: Don't ask, “Where is Britain?”

Interjections.

Hon. Mr. McKeough: Members will be aware that this government has given its maximum attention to tackling the longer-term challenges.

Mr. Sargent: It's a financial nightmare.

Hon. Mr. Rhodes: Somebody must have been buying.

Hon. Mr. Kerr: How did he make an evening session?

Hon. Mr. McKeough: We remain convinced that the highest priority has to be allocated to a strategy for the 1980s and that this strategy should embrace in a comprehensive way the key aspects of our economic and social life. This is not the time to slide off into makeshift remedies because they will come back to haunt us and our children for many years.

What is needed is a determined effort to tackle the larger structural problems of achieving balanced growth with full employment and price stability. The basic issue before us is, after controls, what? If we are to successfully avoid the errors and difficulties of the past, we shall need to address four facts of fundamental importance to our prosperity.

First, governments must discipline themselves and avoid draining from the economy an unreasonably large portion of national and provincial resources. Second, we must improve the climate for investment in Canada. Third, we must persuade or influence industry in Ontario and Canada to concentrate its resources in those activities where we are able to compete in international markets.

Mr. Sargent: What are you doing about it?

Hon. Mr. McKeough: Fourth, in the labour market, we must de-emphasize the adversary environment of labour-management relations.

It is no accident that Canada's image as a place to do business has suffered somewhat in other industrial countries. We have badly tilted our economic and fiscal policies towards social overmanagement and let go the responsibility of encouraging the economic growth that feeds us.

In the past 10 years, we have seen programme after programme to redistribute income, which is perfectly valid and necessary, but we have seen not nearly enough effort at the national level to keep the economy alive and well to generate the income for such redistribution programmes. In my judgement, it has been a process of constant leeching on private sector initiatives that has brought us to a condition of virtual non-competitiveness in so many areas of our economy. The answer must lie in self-discipline across the whole public sector.

Mr. Lewis: That's sort of defiling the private sector.

Hon. Mr. McKeough: In the matter of achieving restraint, Ontario's record stands as an example for all governments in Canada. We have every intention of maintaining that posture for the future.

Mr. Foulds: Posture is right.

Hon. Mr. McKeough: It is the only way we can pump resources into the private sector and permit free enterprise to move forward and generate the jobs and incomes we expect and need.

Mr. Sargent: There's more than \$1 billion deficit. You owe \$11 billion.

Hon. Mr. Bernier: Go fly your airplane.

Hon. Mr. McKeough: This government has made investment and free enterprise central concerns in all of its activities. Without profits, there is no investment; without investment, there are no new jobs, no productive and non-inflationary jobs. It's easy to create inflationary employment but quite another matter to create the conditions for productive jobs that increase the wealth of the nation and its people.

One of Canada's major priorities in marshalling its investment capacities must be that of increasing the level of equity funding in our industries. While I recognize and support the role of internal corporate financing of our large-scale industrial activities, I would like to see government, industry and the financial community take positive steps to substantially increase the role of small investors in our economy. It isn't enough to expect the public

to be sensitive to the needs of the business climate in an abstract way. The average citizen needs and deserves to have a much greater opportunity to participate in the rewards of investment and economic growth. Only when more citizens have a direct stake through their own private investments can we hope to develop broadly based public understanding—

Mr. Reed: It took you a long time to figure that out.

Hon. Mr. McKeough: —of the importance of investment and growth in a free economy.

Mr. Sargent: Sure you do.

Hon. Mr. McKeough: In this regard, I am encouraged by the increase in the dividend tax credit announced in the recent federal budget.

Those who believe, as a matter of blind faith, that all business is bad, never, of course, see any connection between private sector investment and job creation.

Mr. Deans: Who believes that?

Hon. W. Newman: You sure don't.

Mr. Shore: The member for Wentworth should have been here this afternoon.

Hon. Mr. McKeough: I think the realities of several years of irresponsible and irrational criticism of everything businessmen do are coming home to us. Unfortunately, as is all too often the case, it is ordinary working people who suffer—those whose jobs rest on investment and healthy industries, not those whose pious rancour has driven investment from the marketplace.

[8:15]

Interjections.

Mr. Speaker: Order, please. Other members will make their contributions later.

Mr. Deans: Thirty-four years in office.

Mr. Renwick: Thirty-four years and you are just telling us now.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: To assist the process of understanding profits and their essential contribution to the growth process, the government has established a committee to examine inflation accounting.

Mr. Lewis: That's wonderful.

Mr. MacDonald: We will write a book.

Hon. Mr. McKeough: The recent federal budget acknowledges the importance of this area of concern by introducing some changes in the method of taxing inventories. I welcome this move as a positive contribution, but I think we have to go further and examine in considerable detail the adverse effects of inflation on business investment capabilities and job creation. Therefore, I am asking the inflation accounting committee to look at the recent federal tax changes and to assess their impact on investment in Ontario.

One of the largest single concerns in Canada's economic future is the matter of the government's role in financing the retirement incomes of the rapidly growing number of pensioners. Ontario has established programmes for supplementing the incomes of the elderly, in response to the difficulties many pensioners were experiencing with price inflation. However, the emergence in the public sector in recent times of indexed pensions at high levels of benefit, raises questions concerning the capacity of our economy to withstand the massive financial burdens implicit in these public pensions.

Accordingly, in the Speech from the Throne, the government has made known its intention to establish a royal commission to inquire into this matter. Since pension plans are a major source of investment savings for our economy, it is essential that we have a financially-sound pensions framework.

There are many industries in which we enjoy the benefits of world scale and a world level of productive efficiency. However, I am concerned that in a growing number of instances, we are being forced out of world markets and are losing our grip on domestic markets. Despite the fact that Canada is an industrial nation, we import far more manufactured products than we export. We have become a capital intensive economy, and I think we may be squandering our precious capital resources by fostering inefficient industries. Ontario's policy remains one of resisting subsidization and featherbedding.

Mr. Lewis: Featherbedding—what do you call the new ministry?

Hon. Mr. Bernier: Make sure that's in Hansard. You will eat those words, Stephen Lewis. I am going to enjoy it.

Mr. Speaker: Order, please.

Mr. Breithaupt: It is not a problem in Brampton.

Mr. Speaker: Order, please. The hon. Treasurer has the floor.

Hon. Mr. McKeough: We want healthy, efficient and productive industries. I am convinced we could have more of them if we could achieve a change in our attitudes towards productivity and profits.

On the matter of the current negotiations in Geneva on international trade and tariff policies, I have to repeat Ontario's concern that the federal government is proceeding on the basis of no known strategy. It is clear that Canadian industries and Ontario manufacturers cannot be protected forever by high tariffs. Yet the day of tariff cuts gets closer and closer, with no sign from Ottawa that Canada will be ready with adjustment programmes which will enable our industries to roll with the punches.

I am not in favour of high tariffs. I think we can do better for our consumers, but we need a national policy with some vision of the economic future to help us see where we should be going. One of the key aspects of a national industrial policy must be to focus our efforts on those industries where Canadians have special skills and talents. As a beginning, I would like to see national policies which make full use of our unique talents in the following areas:

Automobiles: Over 120,000 Canadians earn their incomes in this highly productive industry, so Canada's role and share of the auto trade pact has to be a matter of great concern to us.

Steel: We have developed an efficient industry which deals effectively in world markets as well as being important as a source of growth in the domestic economy. We need to develop more consciously those industries and skills that can build on this industrial base.

Industrial Rationalization: We cannot afford, in many instances, with our relatively small market base, to have many firms competing in one sector. For this reason, my colleague, the Minister of Industry and Tourism (Mr. Bennett), fully supported the recent industrial consolidation of our electrical appliance industry which was achieved through the merger of the major appliance divisions of General Steel Wares and Canadian General Electric to form the Canadian Appliance Manufacturing Company. We need to encourage more of that kind of rationalization. In doing so, we can rely on imports to provide effective price competition to the benefit of consumers and we can take full advantage of the economies of scale which industrial rationalization brings.

Energy and Resources Development: Canadian engineering talents and specialization

in the energy and resource industries have made us world famous. We can and should profit more from these attributes and attempt to restore the confidence of investors in these industries. That confidence has been badly shaken in recent years by conflicts over resource taxation, environmental matters and deterrents to foreign investment.

Transportation Policy: There can be no doubt that Canadian transportation costs are critical to the success of the economy. They are too high and the industry is characterized by a lack of effective competition. Government policies have to resolve this issue and the equally important issue of improved investment in the transportation facilities.

Agriculture: This is still one of Canada's richest assets, but we badly lack a national policy of income and price stabilization which is fair to both consumers and farmers, and, better still, builds up the base for increased exports.

Small Business: In the Speech from the Throne, the Ontario government announced a wide range of initiatives to reinforce and guarantee an expanded role for small business in the economy. This is a vital aspect of maintaining a creative and efficient industrial economy. These actions will complement moves to bolster the efficiency of medium and large businesses.

Mr. Speaker, I could name many other examples. It is worth noting that Canada has also achieved a world-wide reputation in other fields where scale and size are important, notably banking and finance, and construction and engineering. I don't believe we lack the skills or the commercial talents. Rather we seem too often to lack the will and the policy to fully utilize these talents and ambitions.

This budget continues to meet the challenges in the key areas of government restraint, investment and efficiency.

Mr. Sargent: Like what? Like what?

Hon. Mr. McKeough: A fourth aspect of our economic life which has to receive more attention in future years is that of moderating the atmosphere of confrontation in labour relations. The government's intentions were made explicit at the Partnership-for-Prosperty Conference—

Mr. Bullbrook: That's about time.

Mr. Sargent: What a bunch of nonsense.

Hon. Mr. McKeough: —which was convened and chaired by the Premier, drawing

together some 150 leaders and commentators from all aspects of Ontario life to discuss the problems of a post-controls economy. At that conference we released a study paper entitled *Background to Decontrols* which outlined the problems and policy options.

In the Speech from the Throne, the government put forward its views on the phasing out of controls and on the kind of consultative actions that would be necessary for a successful transition to a post-controls phase. We pointed out the need for a clear strategy to hold down inflation in the post-controls era, and the steps we would be taking as our contribution to this process. Budget paper D, which accompanies this statement, deals in some detail with the issues and options of decontrol.

Mr. Speaker, the responses to these four critical issues of national concern will be assembled and studied in a variety of ways. As part of that effort, Ontario is establishing follow-up working groups to the Partnership-for-Prosperty Conference to advise the government on practical approaches to monitoring the performance of prices, profits, wages and salaries in the post-control period.

Following the practice of recent years, I have engaged in extensive pre-budget discussions with representatives of many sectors of the economy. The advice I have received reflects a considerable range of opinion about economic prospects for 1977 and what constitutes appropriate fiscal policy. Many believe the economy should be stimulated, and just as many insist that inflation is still our number one problem. A few have even suggested that Ontario should jump in and do all those things which, in their opinion, the federal budget left undone. I have found these pre-budget consultations very informative, and would like to express my appreciation for this useful input.

For 1976 as a whole, despite some difficult obstacles, employment and real incomes continued to expand. I think there is every reason to be optimistic about the outlook for 1977. The United States economy, our own economy and those of the European Common Market, are all broadly balanced in the direction of expansion. The recent federal budget builds in considerable fiscal stimulation which, as I shall document later, will generate large increases in personal disposable incomes during the year.

The Ontario economy at this time is displaying signs of solid strength in several sectors—

Mr. Sargent: Sure it is.

Mr. Martel: What about the mines?

Hon. Mr. McKeough:—which will produce positive results in terms of rising incomes and jobs as the year unfolds. For example, there is growing evidence that the large inventory of unsold housing is beginning to move well, and this is having an encouraging effect on the industry. Automobile production is running 10 per cent ahead of last year and sales are up more than double that rate.

Mr. Sargent: A billion and a half in debt—

Hon. Mr. McKeough: Investment is beginning to turn around, assuming we maintain a stable and hospitable business environment. Government spending on capital projects in Ontario, including those of Ontario Hydro, will be higher. There are also significant investments in steel and petrochemical projects which, as they come into production, will establish world scale in those industries. These are most encouraging prospects which will be materially assisted by the drop in the external value of the Canadian dollar over the past four months. That will assist our exports and help tourism in Canada.

An hon. member: Tell us about Hydro.

Hon. Mr. McKeough: I expect lower interest rates to help in the recovery. I have pointed out that each percentage point drop in interest rates saves Canadian consumers, over time, \$1 billion a year. Thus, higher interest rates in our economy have to be a continuing concern to all of us. The answer, however, is not to drop interest rates in some arbitrary way. If inflation is not beaten, we cannot have lower interest rates without precipitating a flight of capital from Canada. Therefore, inflation must be a continuing and major concern.

In summary then, sir, my expectation for fiscal 1977 is that the annual rate of growth in the Ontario economy will move from four per cent a year in the first half to a rate of six per cent a year by the last half of the year. If prices, profits, wages and salaries get out of line with real productivity gains, however, the ability of the economy to expand will be drastically impaired. The rate of recovery will depend very directly on the restraint all participants in the economic process are prepared to contribute. Excessive demand from any part of the economy will take jobs away from our citizens. That is the simple and absolutely unavoidable fact of our economic life. There is no easy way out, and there can be no exceptions to the effort required of all of us.

The federal budget of March 31 provides needed stimulation to the economy. It reduces corporate and personal income taxes by \$1 billion in 1977-78. In addition to these tax cuts, take-home pay of Canadians will rise by about \$1 billion in 1977-78 as a result of indexation of the personal income tax. Some \$900 million of these federal tax reductions will flow to Ontario businesses and individuals during the 1977-78 fiscal year. Ontario will contribute \$130 million on top of this federal stimulus as its own share of the cost of indexing. In total, therefore, there is already built into the Ontario economy a fiscal stimulus in excess of \$1 billion.

I would also point out to members that Ontario residents are now receiving their income tax refunds, including Ontario tax credits, for the 1976 taxation year. I estimate these payments will further boost purchasing power by well over \$500 million immediately.

Mr. Sargent: Will they get that before election day?

Mr. Cassidy: Just like last year and the year before.

[8:30]

Hon. Mr. McKeough: Mr. Speaker, I think the state of Ottawa's finances, which was revealed in the federal budget, underscores the wisdom of Ontario's decision, taken two years ago, to constrain spending and reduce the province's deficit. As a result of past excesses in spending, Ottawa's projected budgetary deficit for 1977-78 is a whopping \$7.2 billion.

Mr. Breithaupt: It is only three times what yours is.

Hon. Mr. McKeough: This is an increase of almost \$600 million over the previous year. By contrast, we have succeeded—with great determination I might add—in reducing our deficit substantially.

Before I turn to the details of my budget for 1977, I should briefly like to draw the attention of members to budget paper E, which outlines some essential statistics on federal fiscal redistribution in Canada.

Mr. Sargent: What about the government pension fund?

Hon. Mr. McKeough: I think members will find it an interesting first attempt on our part to distribute the revenue and expenditure of the government of Canada among the various provinces.

I am also tabling an analysis of inter-provincial trade flows and the cost of tariffs to Canadian consumers. I should caution members that these are preliminary figures. Canada is seriously lacking in data of this kind, which has hampered reasoned debate on the costs and benefits of Confederation. I, for one, would like to see the federal government put the figures on the table so that all Canadians can see for themselves what every province pays and what it receives in return. While I do not profess, sir, to understand the technical aspects of these figures, I am convinced that they show Confederation to be a powerful and protective economic shield for all Canadians.

I would now like to turn to the government's expenditure plan for the coming year. The planned expenditure growth rate of nine per cent for 1977-78 marks the third consecutive year that a reduction in expenditure growth has been achieved. I would like to draw the members' attention to the fact that Ontario's expenditure growth rate for 1977-78 is one of the lowest among the provinces, and is below that of the federal government for the sixth consecutive year.

I am firmly convinced that this progressive reduction in expenditure growth rates is helping to restore a more appropriate balance of public and private sector activities. During this period of expenditure restraint the government has substantially reordered its priorities to meet pressing needs. For the information of members, I have included a table showing expenditure growth rates by policy field, which illustrates these changing priorities.

Mr. Speaker, you will recall that on November 23, 1976, I outlined the broad dimension of the government's 1977 spending plan. One of our key objectives was to minimize operating costs and overhead expenses so that more resources could be mobilized for job-creating investment projects. The 1977 spending plan meets this objective. It provides increased funding for the new Northern Affairs ministry, for water and sewage investment, for the OECA capital programme in the north; and it also includes increases for GWA, FDA and the blind and disabled benefits under GAINS.

An hon. member: It's about time.

Hon. Mr. McKeough: An important element in the province's cost control programme is the elimination of unnecessary staffing positions. In 1977-78 the civil service complement will not increase. This means we will hold the reduction achieved over the past

two years. We will meet additional manpower requirements in some programmes by redistributing our existing human resources. A new system of manpower control will be implemented this year which focuses on overall dollars. Full details will be provided by my colleague, the Chairman of Management Board (Mr. Auld).

Mr. Foulds: That's called increasing unemployment.

Hon. Mr. McKeough: The government's financial assistance to local government for 1977 was announced last September 10. This was the earliest time ever, and fully three months earlier than the previous year. To accomplish this required a great deal of effort and co-operation from all ministries involved. I have received many local expressions of appreciation and assurances that this action helped greatly in local budgeting.

During the present year the government expects to transfer some \$3.4 billion to local government, or more than triple the amount transferred during the 1969-1970 fiscal year. Counting the advance payments we mailed out in early April our assistance for 1977-1978 is up by 12.5 per cent over last year.

I would like to take this opportunity to remind our local governments that this 12.5 per cent increase in assistance is no way an indication of the end of the need to restrain spending. As I have said on many occasions, it is critical that we develop a leaner, more efficient public sector. There remains ample scope for further shake-out at the local government level.

The increases in property taxes in 1976 have eroded some of the benefits of our provincial actions to stabilize tax burdens. An accompanying table shows that property taxpayers are still relatively better off than in 1970 or 1972, but important ground was lost during 1976 when the average property tax rose to 2.5 per cent of household income.

Mr. Foulds: You can't have it both ways.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: The latter was due exclusively to the increase in education taxes.

As in previous years I am tabling a separate document today on the government's financial assistance to local government. As well, I would like to remind members that two important studies on local government matters, Blair and Mayo, have already been released and four others—Robarts, Archer, Comay and Stevenson—will be forthcoming in the next few months. These will be of critical impor-

tance in proceeding with orderly reforms of local government structure and finance.

Mr. Sargent: Just like the Blair report, eh?

Hon. Mr. Rhodes: The one written by you—the blur report.

Hon. Mr. Bennett: That's right John, get it going.

Mr. Sargent: You're a bunch of chickens over there, that's all you are.

Mr. Breithaupt: It is only in the eye of the beholder.

Hon. Mr. McKeough: Within our limited resources for 1977 the government has placed its highest priority on creating jobs.

Mr. Lewis: Oh no, you haven't.

Hon. Mr. McKeough: The job-creating initiatives must be selective and directed where they will have the biggest impact on unemployment. Before detailing these measures I would like to draw the attention of the members to budget paper A, entitled *The Changing Character of Unemployment in Ontario*.

Mr. Lewis: A disgraceful budget.

Mr. Speaker: Order, please.

Hon. Mr. Bennett: That is an opinion only of yours.

Hon. Mr. McKeough: This paper continues the in-depth analysis of the Ontario labour market begun in budget paper D of my 1976 budget.

Mr. Martel: Few solutions though.

Hon. Mr. McKeough: This 1977 paper indicates that for a variety of reasons the level of unemployment consistent with the provincial economy reaching its full employment performance has risen significantly since 1971.

Mr. Lewis: Consistent?

Hon. Mr. McKeough: Unemployment in Ontario has not been below four per cent since 1969.

Interjection.

Hon. Mr. McKeough: Even in 1973 and 1974, during a period of high growth and rapid inflation, unemployment remained above the then accepted full employment norm. Budget paper A suggests that the full employment target for Ontario appropriate to the seventies is 5.3 per cent—

Some hon. members: Shame.

Hon. Mr. McKeough:—up from three per cent some years ago.

Mr. Lewis: Do you know another jurisdiction in the western world that would permit that as a social objective—as an objective of government?

Mr. Speaker: Order please, the hon. Treasurer has the floor at this moment. Order.

Mr. Renwick: You don't even understand.

Mr. Hodgson: Come down off that—

Mr. Sargent: Why don't you pack it up right now?

Interjections.

Mr. Speaker: Order please. The hon. member for York South does not have the floor.

Hon. Mr. McKeough: Mr. Speaker, the magnitude of this change may be debated, but similar sentiments have been expressed by the governor of the Bank of Canada in his recent annual report and by the federal Minister of Finance in his recent budget. And it is interesting to note that—

Mr. Renwick: You never understood it.

Hon. Mr. McKeough:—the council of economic advisers and President Carter have accepted 4.9 per cent.

Interjections.

Hon. Mr. McKeough: That is an ad lib.

An hon. member: Come into the real world.

Mr. Speaker: The hon. Treasurer has the floor. Thank you.

An hon. member: Do you feel better now, Darcy?

Mr. Renwick: Don't bastardize—

Mr. Cassidy: A disgrace to Ontario.

Hon. Mr. McKeough: Mr. Speaker, the major slowdown in non-residential construction—

Interjections.

Mr. Speaker: Order please, the hon. member for York South.

Hon. Mr. McKeough: Mr. Speaker, the major slow down in non-residential construction in Ontario during this past year has led to disproportionately higher unemployment among construction workers.

Mr. di Santo: Finally.

Hon. Mr. McKeough: Unemployment in the construction industry is currently running in excess of 15 per cent.

Mr. Swart: I guess so.

Hon. Mr. McKeough: To stimulate jobs and reinforce the vitality of this industry, we will accelerate provincial capital spending by \$75 million in 1977-1978. This will generate almost 3,400 additional jobs and will provide a powerful stimulus to the construction industry.

The job creation package for the construction trades includes the acceleration of road and transit projects, sewage and water treatment plants; plus new funding for repairs and insulation of government and university buildings, health capital projects and agricultural infrastructure. Details of these projects and their job-creating potential will be made available by the ministries concerned. My colleague, the Minister of Housing, (Mr. Rhodes), has already announced plans to stimulate the rental housing industry. I would also like to inform members that I authorized Ontario Hydro to accelerate its capital construction programme.

Hon. Mr. Davis: Which members opposite will oppose.

Hon. Mr. McKeough: The government has limited Hydro's capital borrowing to \$1.5 billion annually—

Mr. MacDonald: You put it back last year.

Hon. Mr. McKeough: —during 1976, 1977 and 1978 because of our concern about the availability of capital funds. The province's success in reducing its own financing requirements, however, provides room to prudently expand Hydro's borrowing programme to \$1.7 billion for 1978.

Mr. Cassidy: That's pretty weak.

Hon. Mr. McKeough: This will allow Hydro to do more construction work this year and next year, thereby improving the employment prospects in that very important industry.

I would like to emphasize, Mr. Speaker, that no part of this authorized increase in borrowing is to be used by Hydro for operating purposes.

On the employment front, the most pressing priority is to do something quickly and effectively for our young people.

Mr. Cassidy: You are not doing it.

Hon. Mr. McKeough: A large part of the high unemployment reported in the first three months of this year—

Mr. Kerrio: You are pointing in the right direction, Frank.

Hon. Mr. McKeough: —falls within the 15 to 24 age group. I am concerned that these young people have been unfairly saddled with the economic problems that governments in Canada have not been able to resolve.

Mr. Bain: Your government.

Hon. Mr. McKeough: If we have unemployment today, it is because we have an industrial cost structure that results in our industries not being able to compete abroad as they did in the past; and it is precisely because public spending has put Canadian taxes at a level unprecedented in North America that our industries are struggling to compete with productive and efficient industries around the world.

Mr. S. Smith: Sounds familiar.

Hon. Mr. McKeough: For our young people we need two things: First, immediate help; second, the stimulus of a growing economy so that new investment can provide the ongoing economic growth and jobs they need to build their own lives, to raise their families and enjoy the same standard of living as we do.

Mr. Cassidy: What is this them and us stuff?

Hon. Mr. McKeough: To provide further employment opportunities for youth, the Ontario government will implement a five point programme in 1977. The government will expand the regular summer replacement programme by 700 positions to a total of 10,000 jobs; expand the Experience programme by 2,350 jobs to a total of 11,492; increase the Ontario Career Action programme by 1,000 to 2,300 jobs; introduce a new programme to train 250 young people to assist the elderly and the handicapped to live more comfortably in their homes.

Mr. Foulds: Two hundred and fifty?

Hon. Mr. McKeough: Full details of this programme will be announced by the Ministry of Community and Social Services.

Mr. Breithaupt: There is a greater demand in any one riding.

Mr. Lewis: Two hundred and fifty jobs?

Mr. Sargent: You are a big spender, boy.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: Finally, Mr. Speaker, we will introduce a new Ontario youth employment programme to provide employers of young people with a grant of \$1 an hour towards the wages of summer employees.

Mr. Lewis: Summer employees.

Hon. Mr. McKeough: This programme is expected to provide a 16-week subsidy—

Mr. Lewis: Sixteen weeks.

Mr. Speaker: Order.

Hon. Mr. McKeough: —for up to 20,000 young people at a cost of \$10 million.

Mr. Breithaupt: The election will be over by then.

Hon. Mr. McKeough: Details of the two new programmes are outlined in appendix B.

Mr. Lewis: Summer jobs?

[8:45]

Hon. Mr. McKeough: Altogether, sir, these youth-oriented programmes should provide jobs and introductory training to the labour market for about 45,000 young people at a cost of \$68 million.

Mr. Lewis: Summer jobs.

Hon. Mr. McKeough: This represents a funding increase of more than \$20 million over last year, and better than twice the number of job opportunities for our energetic young people.

Hon. Mr. Rhodes: Let's go. Pull the plug, kid.

Mr. R. S. Smith: You wouldn't be over there if you had any.

Hon. Mr. Rhodes: What are you talking about? Go and raise some hair.

Hon. Mr. McKeough: As I mentioned earlier in my statement, the recent federal budget will have a significant effect on Ontario's revenue. In total, it will cause a reduction of \$74 million in this fiscal year, \$32 million in personal income tax and \$42 million in corporation income tax. The taxpayers of Ontario will benefit directly from

the province's decision to parallel these federal tax measures.

Within the economic objectives which the government has set for this year, I have decided upon a package of additional tax reductions amounting to \$127 million to stimulate important sectors of the economy. I am proposing to balance this total revenue loss of \$201 million by tax increases of \$209 million in order to meet my financial target.

As a result of the new federal-provincial fiscal arrangements, the province's income tax rate increases to 44 per cent of federal basic income tax for the 1977 taxation year. The 44 per cent rate will ensure that, given the reduced federal base for calculating Ontario tax, the province will occupy the tax room vacated by the federal government. At the same time, taxpayers will be left virtually unaffected overall. This means that, other than in Alberta, Ontario's personal income tax rate remains the lowest of any province in Canada.

An hon. member: Including Manitoba.

Mr. Reid: Just deficits.

Mr. Cassidy: You never counted OHIP.

Hon. Mr. Rhodes: How about your raise, Mike?

Hon. Mr. McKeough: The history of the new arrangements, the mechanics of this transfer of personal income tax room and the impact on filers are fully documented in budget paper B. I'm also taking this opportunity to table a staff research paper entitled, *The Equity and Revenue Effects in Ontario of Personal Income Tax Reform: 1972-1975*. This paper, which is No. 13 in the Ontario tax studies series, examines how reform of the personal income tax has worked in Ontario.

Let me now turn to the tax decreases contained in this budget. The new federal-provincial fiscal arrangements have implications for Ontario's personal income tax reduction. To ensure that the majority of Ontario tax filers who pay no federal tax are also free of provincial tax effective for the 1977 taxation year, Ontario income tax will no longer be payable by tax filers with less than \$1,680 taxable income. This enrichment from the 1976 level of \$1,540 will remove the Ontario tax liability for an additional 35,000 filers and will cost more than \$3 million.

In the majority of circumstances it should mean that no Ontario tax will be payable where no federal tax is payable. In some cases, however, the new \$50 federal tax

credit for children will remove federal tax liability, while Ontario liability will remain. In the near future I will be reviewing the viability of incorporating this provision in The Ontario Income Tax Act.

I am proposing a number of reductions to the retail sales tax effective midnight this day. Ontario has, over the past few years, increased the level of the retail sales tax exemption for prepared meals so that residents and visitors alike are able to purchase essential meals free of tax. At the same time, the levels chosen have ensured the continued generation of revenue from the more elaborate high-priced dinners.

Mr. Breithaupt: Like La Scala.

Mr. S. Smith: Winston's.

Hon. Mr. McKeough: In continuation of this practice, I am proposing a further increase in the level of exemption to \$6. This change ensures that all basic meals will be free of tax and should result in considerable benefit to the tourist trade, since the average vacationing family of four will enjoy a saving of about \$2 a day.

An hon. member: That's for you, Claude.

Mr. Breithaupt: Now there's real leadership.

Interjections.

Mr. Speaker: Order.

Hon. Mr. McKeough: Second, I am proposing—

Mr. Reid: Is that all you've got to clap about?

Hon. Mr. Bennett: No, we get another dollar next year. Don't worry about it, Patrick, We get one this year, one next.

Mr. Samis: They can't afford the gas prices.

Hon. Mr. McKeough: Second, I am proposing to exempt from sales taxation certain disposable items purchased by operators of hotels, motels and similar establishments for use in guest rooms. This tax has been an irritant to the trade and its removal will allow the industry to compete more effectively for the tourist and convention dollars.

Mr. Haggerty: What about municipalities?

Hon. Mr. McKeough: These two tax actions should be of considerable benefit to Ontario's tourist industry, which is the province's second largest employer. Together

these moves will cost the province \$8 million in 1977-78.

Mr. Drea: What does the NDP think of that?

Hon. Mr. McKeough: Recognizing the importance of conserving energy, the government last year provided sales tax relief to retail purchasers of thermal insulation materials used for existing residences. To further encourage the conservation of energy, I am proposing an extension of this exemption to include thermal insulation materials for all buildings. In addition, I am proposing that other energy-conserving materials and equipment—for example, heat recovery units and solar cells—be added to the list of retail sales tax exemptions.

The potential saving on the purchase of a solar energy system is approximately \$200 to \$300. I estimate these new initiatives will provide a total tax saving to consumers of about \$6 million in 1977-78. I am also proposing that the exemption from the sales tax on the price of admission to places of amusement be increased from 75 cents to \$3.

Mr. Breithaupt: You're charging the people in the galleries?

Hon. Mr. McKeough: It is estimated that the tax saving to consumers will be around \$10 million in 1977-78. This measure will simplify the procedures involved in administering this tax. It will also provide relief to the many thousands of charitable and non-profit organizations in Ontario and assist the promotion of public events such as agricultural fairs and exhibits in museums and art galleries.

Mr. Drea: Come on, Bob, take them off.

Hon. Mr. McKeough: Small business continues to be one of the outstanding strengths of the Ontario economy and the province has a substantial number of programmes and incentives—

Mr. Drea: Your wife won't like you.

Hon. Mr. McKeough: —designed to encourage the development of this sector.

In keeping with this approach, I am proposing the following incentives to small business: increased compensation for tax collection activities; simplified capital tax compliance, and the establishment of venture investment corporations.

For tax collected on or after April 1, 1977, the level of compensation provided to retail vendors and appointed tobacco tax collectors

will be expanded from three per cent to four per cent, and the annual maximum will be increased from \$500 to \$700. This raises current levels by over one-third and means that the tax collection compensation paid to small businesses in Ontario is the highest provided by any province in Canada or any major US state. The cost of this improvement will be approximately \$5 million for 1977-78.

Mr. Martel: That's going to help them a lot.

Hon. Mr. McKeough: I recognize that filling out complex capital tax returns is a nuisance to most owners of small businesses. I therefore propose that in lieu of the regular capital tax rates, corporations with taxable paid-up capital in Ontario of up to \$50,000 pay a flat rate of \$50 and corporations with taxable paid-up capital in Ontario in excess of \$50,000 and up to \$100,000 pay a flat tax of \$100. These corporations will receive a tax saving at a cost to the province of about \$3 million. The filing of capital tax returns is thus greatly simplified for about 95,000 small Ontario corporations.

[Applause]

Hon. Mr. Handleman: Where are all those small business enthusiasts over there?

Hon. W. Newman: Where are they?

Mr. Breithaupt: Why did you put it in in the first place?

Hon. Mr. McKeough: Mr. Speaker, members will recall that in the 1976 budget—

Mr. Kerrio: They weren't there in the first place.

Hon. Mr. McKeough:—I introduced legislation for first reading only which proposes that special venture investment corporations be established to provide risk capital to small businesses in Ontario. A deferral of corporation income taxes was proposed as an incentive to encourage the deployment of risk capital into these small corporations. The purpose of this legislation was to encourage and facilitate discussion of the concept with the federal government and the private sector. The discussion resulted in a revised version of the VIC legislation which was tabled with my November economic statement.

The recent federal budget introduced one provision respecting the tax treatment of investments in venture investment corporations. This allows Ontario to proceed with VICs. Therefore, I will introduce tonight The Venture Investment Corporations Registration

Act with the intention of having the system in place and operating before the end of 1977. The complementary tax amendment to The Corporations Tax Act will be introduced later in the year by my colleague, the Minister of Revenue (Mrs. Scrivener). Details of this proposal are provided in appendix A to this statement.

It is my hope that the VIC programme will substantially encourage the development of small business in this province. The capital tax relief for small business and the programmes recently announced by other ministries, such as the elimination of the annual corporation filing requirement and the expansion of the Ontario Development Corporation's services, demonstrate this government's firm belief in a strong and growing small business sector in this province.

Mr. Sargent: A big help that will be.

Hon. Mr. Bernier: There's more to come.

Hon. Mr. McKeough: In the past year the provinces of British Columbia and Saskatchewan have abandoned the succession duty field. As a result, only Manitoba, Quebec and Ontario now levy succession duties and gift taxes. We have reviewed this matter carefully and have concluded that our own statutes should remain in force. They add a valuable degree of equity to the province's tax structure. However, it is the government of Ontario's policy to have these taxes paid by those who can best afford to do so.

Mr. Kerrio: What an actor!

Hon. Mr. McKeough: The 1975 budget went a considerable way toward ensuring this goal by exempting from duty all estates valued at less than \$250,000. As a further move toward concentrating the burden of death taxes on large estates and to allow for the upward valuation in assets which occurs over time, I am proposing that the basic level below which no duty is payable be increased to \$300,000, effective in respect of deaths occurring on or after April 20, 1977.

An hon. member: One more day.

Hon. Mr. Rhodes: Okay, the member for Sudbury East (Mr. Martel) can go now.

Mr. Cassidy: You can all go, every one of you.

Hon. Mr. Rhodes: As long as you're the opposition, we will be here forever.

Hon. Mr. McKeough: At the same time, the province of Ontario recognizes its long-

term commitment to phase out succession duty when the capital gains tax matures. At the present time, and indeed in the foreseeable future, the level of capital gains revenue will not be an adequate replacement for revenue lost by vacating the succession duty field. Therefore, the government has decided instead to fully remove any element of double taxation by integrating succession duty and capital gains tax through a credit mechanism. I am proposing that, effective in respect of deaths occurring on or after April 20, 1977, capital gains tax arising as a result of death will be eligible to be treated as a credit against succession duties. It is expected that this credit mechanism will result in ever-increasing reductions in succession duty over time as the value of capital assets increases and The Succession Duty Act is amended periodically to recognize the effects of inflation.

In addition, the current requirements of affidavits from all beneficiaries will be replaced by a simplified return submitted by the executor of the estate. The accessibility of beneficiaries to the assets of the estate will also be made easier.

Mr. Nixon: What will happen to the lawyers?

Hon. Mr. McKeough: As well the Ministry of Revenue will be operating regional counter service in respect of succession duties in the near future, which will enable small estates to be processed promptly and have their assets cleared quickly.

Mr. Sargent: You are a gift horse without blinkers.

Hon. Mr. McKeough: To complement these changes to The Succession Duty Act and to permit the distribution of assets prior to death, the gift tax is also amended. For 1977 and subsequent years, gifts of up to \$10,000 per recipient and \$50,000 per donor per year will be exempt from gift tax. This represents a doubling of the allowances which were available for 1976.

Mr. Roy: Hurray!

Mr. Cassidy: That won't benefit your average Ontarian.

Interjections.

Mr. Speaker: Order, please. The hon. Treasurer.

Mr. MacDonald: Let's adjourn to the Albany Club. This should be celebrated.

Hon. Mr. McKeough: They'll celebrate it less there than they did in Saskatchewan which abolished succession duties. That's a great Tory province out there.

Mr. Breithaupt: They have no estates.

[9:00]

Mr. Speaker: The hon. Treasurer will get on with his statement.

Mr. Breithaupt: They have done it in Cuba, too, but not by choice.

Interjections.

Hon. Mr. McKeough: I am proposing that, effective today, The Land Transfer Tax Act be substantially amended, in terms of its tax treatment of non-resident individuals and corporations to encourage productive foreign investment.

Currently, all land transferred to non-residents attracts the high 20 per cent rate of tax. I am proposing to tax only agricultural and recreational land—restricted land—at this high rate. Specifically, any transfer to a non-resident individual or corporation of land that is “zoned” or “assessed” as commercial, industrial or residential is to be taxable at the normal low rate of land transfer tax.

Mr. Nixon: What took you so long?

Interjections.

Hon. Mr. McKeough: The substantial difference between the new legislation and the existing Act is in the treatment of non-resident industry. The latter forced legitimate industrial or commercial enterprises through a deferral process that, with changing economic conditions, has proven to be unnecessary and inappropriate. The new proposal does away with deferrals where the non-resident transferee is purchasing “unrestricted” land. The procedures for deferrals of tax are carried over from the old Act, where the non-resident purchases restricted land for the purpose of commercial, industrial or residential development and resale, or for the purpose of establishing, expanding or relocating an active commercial or industrial enterprise.

The government remains committed to its policy of discouraging non-productive speculative activities. However, I am proposing two necessary changes to The Land Speculation Tax Act. The current provision for a reduction in taxable value with respect to investment properties completely eliminates tax over a 10-year period. This provision has

required a longer than desirable commitment by non-residents who wished to buy investment properties in Ontario. Consequently, a substantial pool of capital, normally available to resident developers, has dried up. I am, therefore, proposing to halve the reduction period from 10 to five years, by doubling the reduction value to 20 per cent per annum.

A second proposal permits farmers to rent out their farm properties without forfeiting the 10 per cent per annum reduction in taxable value permitted to farm property. Whereas the previous provision deemed the rental period as being an interruption in the farming period, the new provision allows for the rental period to equal three years or less in the 10-year period without loss of the reduction. However, the rental period may not exceed two years immediately prior to disposition. This proposal gives farmers time to decide whether or not to sell their farm properties without opening the door to full-fledged speculation by non bona fide farmers.

Mr. Cassidy: Half-fledged speculation.

Hon. Mr. Davis: You farmers over there should be in support.

Interjections.

Mr. Speaker: The hon. Treasurer has the floor. Order.

Hon. Mr. McKeough: In addition to the relaxation of the treatment of farms and investment properties, The Land Speculation Tax Act parallels the changes to The Land Transfer Tax Act. It is my hope that these significant changes to the land transfer and land speculation taxes will further encourage job-creating investment.

Mr. Lewis: Both the taxes were irrelevant.

Hon. Mr. McKeough: I should note my satisfaction that the federal Minister of Finance, in his recent budget, has changed the treatment of capital gains taxation to allow the rollover of capital gains when funds realized from the sale of business and farming assets are reinvested in similar assets.

In addition to the tax reductions I have just detailed, I am proposing the following long-term measures, in the interests of federal-provincial tax harmony and to maintain Ontario's competitive position:

Continuation of the manufacturing and processing fast write-off for an indefinite period. This measure will cost the province approximately \$80 million in a full year;

Paralleling the three per cent inventory valuation adjustment which was announced

in the federal government's March 31, 1977, budget at a cost to this province in fiscal 1977-1978 of \$40 million. This is an interim measure at both the federal and provincial levels, pending the recommendations of committees which are now examining the tax aspects of inflation accounting;

Adopting the federal 25 per cent resource allowance for oil and gas companies and replacing our present automatic depletion system with earned depletion for these companies. In addition, I propose to parallel the incentive for frontier oil and gas exploration announced in the latest federal budget. I estimate that the revenue loss to Ontario from these changes will be about \$6 million annually.

The recent federal budget also contained major changes to the taxation of insurance companies. The implications and revenue effects of these changes will have to be carefully examined before any decision can be made concerning Ontario's taxation of this sector, bearing in mind the competitive position of Canadian insurance companies in the United States market.

The cost to the province of the above tax reductions is \$201 million. To offset this revenue loss and to keep to the deficit target, I am proposing to raise an approximately equivalent amount through tax increases.

I am proposing to raise additional revenue of \$58 million from cigarettes, cigars and cut tobacco.

An hon. member: That's pipes.

Mr. Reid: No clapping there.

Mr. S. Smith: Oh, shame, not cigars. You certainly know how to hurt a fellow. What will you smoke in your full-sized car now?

Mr. Bullbrook: Are you going to that cut tobacco again?

Hon. Mr. McKeough: The tax on cigarettes will be increased by five cents per package of 20 cigarettes.

Mr. S. Smith: Is that mid-size cigars?

Hon. Mr. McKeough: The tax on cigars, which is applicable on the retail price will be doubled.

Mr. Bullbrook: Did the Premier buy any extras today?

Hon. Mr. Davis: I didn't buy one today.

Mr. Bullbrook: You didn't? I'll give you one tomorrow.

Hon. Mr. McKeough: Thus, the tax on a 25 cent cigar will increase from five cents to 10 cents. The tax on cut tobacco will also be doubled from 2.5 cents per half ounce on the old avoirdupois basis—

Mr. Martel: Say that again?

An hon. member: So much for the bilingual policy.

Hon. Mr. McKeough: Shall I say that again?

Hon. Mr. Davis: The Treasurer is getting personal for the first time tonight.

Hon. Mr. McKeough: This is my concession to my colleague from Cochrane North (Mr. Brunelle).

Mr. Martel: Will you say that again, Darcy?

Hon. Mr. McKeough: The tax on cut tobacco will also be doubled from 2.5 cents per half ounce on the old avoirdupois basis—

Interjections.

Mr. Breithaupt: That's not even a good plug.

Hon. Mr. McKeough: —to the equivalent of five cents per half ounce on the new metric basis.

Mr. Bounsall: What about chewing tobacco?

Mr. Breithaupt: That's hardly a cheek full.

Hon. Mr. McKeough: Government road-related expenditure is growing faster than revenue derived from road users. Consequently, in order to restore a reasonable balance between expenditure and revenue, I am proposing to increase the registration fees for passenger cars, commercial vehicles, motorcycles and buses.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: Effective for the 1978 registration year, the annual registration fees for passenger cars will be increased as follows: four cylinders from \$23 to \$30; six cylinders from \$32 to \$45, and eight cylinders from \$40 to \$60.

Interjections.

Hon. Mr. McKeough: Additionally, the fee for passenger cars registered for the first time and equipped with an engine having a

displacement in excess of 6,500 cubic centimetres—

Mr. Lewis: This had better not be an election budget.

Hon. Mr. McKeough: —397 cubic inches—will be \$80. The annual registration fee for motorcycles will be increased by \$5—

Mr. Lewis: Now the Premier might change his car.

Mr. Speaker: Order.

Hon. Mr. McKeough: —while the fee for snowmobiles will remain unchanged.

The annual registration fees for commercial vehicles, farm trucks and buses will be raised by adding a flat \$22 to each weight class and by raising these news levels by nine per cent. In respect of smaller commercial vehicles, this measure will adjust the fee to the same level as the fee now proposed for eight-cylinder passenger cars. A large majority of these small commercial vehicles are equipped with eight-cylinder engines and their weight is also comparable to an eight-cylinder passenger car.

The fee increase will raise \$78 million in 1977-78. This new, more progressive fee structure encourages energy conservation.

Mr. Deans: Oh, yes.

Hon. Mr. McKeough: In identifying the need to raise registration fees, however, it is also recognized that the operation of a passenger car in northern Ontario involves substantial costs over and above those experienced in the southern part of the province.

Mr. Breagh: Leo wins again.

Hon. Mr. McKeough: These costs are the direct consequence of greater distances travelled, the effect of climatic conditions on mileage, and sometimes higher gasoline and oil prices.

Mr. Martel: Sometimes?

Mr. Lewis: It's about time.

Mr. Speaker: Order, please. Let's hear the good news.

Mr. Reid: That's as objective as you can get.

Mr. Nixon: So much for impartiality.

Hon. Mr. McKeough: I am, therefore, pleased to propose that, effective for the 1978 registration year, registration fees be reduced

to \$10 for all passenger cars and motorcycles registered north of the French River.

Hon. Mr. Bernier: Let's hear it.

Mr. Lewis: I applauded.

Mr. Breithaupt: But I don't think it will win you a riding.

Mr. Speaker: Order, please.

Mr. Lewis: Another blow struck for the north by the NDP.

Hon. Mr. McKeough: By this measure, all bona fide residents of the area will receive a saving equivalent to five cents per gallon of gasoline—

Hon. Mr. Davis: The member for Scarborough West is not one of them.

Hon. Mr. McKeough: —based on an average annual distance travelled of 10,000 miles.

Mr. Lewis: But the oil companies should be paying that.

Hon. Mr. McKeough: The total saving to northern Ontario residents is approximately \$12 million in 1977-78.

Mr. Speaker, to improve taxpayer compliance under The Motor Vehicle Fuel Tax Act, I propose that by July 1 of this year all sellers and distributors of diesel fuel, home heating oil, furnace oil and similar products be registered with the Ministry of Revenue. Users of taxable middle distillate fuels will also be registered. I would like to point out that all the other provinces have in place systems to minimize avoidance of fuel taxes. I estimate that Ontario's tighter enforcement will generate \$10 million in 1977-78.

For some time, the Ontario government has been advocating the use of refillable soft drink containers and seeking ways to discourage the use of non-refillable throwaway containers. The government has two basic objectives: to reduce the volume of solid waste in Ontario and to conserve energy resources wasted in the production of throwaway convenience containers. In support of these objectives, the Minister of the Environment (Mr. Kerr) has announced a ban on the sale of non-refillable bottles in Ontario, effective April 1, 1978. Cans for carbonated soft drinks are an equally important contributor to the problem, hence action to limit the use of cans is also necessary.

I am proposing that a tax of five cents per can be imposed on the consumer who chooses to buy soft drinks in cans, effective June 1, 1977. For ease of administration, this tax will

be collected at the manufacturers' and importers' level. Inventory will be taken at all levels on that date. The tax will be included in the retail selling price, thus attracting retail sales tax as well.

It is my hope that this environmental tax, which will apply equally to canned carbonated soft drinks manufactured in Ontario or imported into the province, will be combined with a concerted effort on the part of soft drink producers—

Hon. Mr. Davis: Where is the applause from you environmentalists over there?

Mr. Drea: Stand up. Come on, stand up.

Mr. Cassidy: It is the only good thing in the budget.

Hon. Mr. McKeough: —to substantially reduce the proportion of soft drinks sold in cans. Since consumer buying habits do not change overnight, however, the \$25 million which is estimated to be collected in the first year will assist in the funding of major environmental projects. Grants will be available to municipalities and citizen groups for the construction and operation of collection and recycling depots. In addition, there will be increased support for municipal reclamation facilities across the province.

Hon. Mr. Davis: Where are all the environmentalists across the floor?

Mr. Speaker: Order, order.

Hon. Mr. McKeough: Finally, I have decided that the most appropriate way to secure the balance of revenue needed is to increase the paid-up capital tax on large corporations. Accordingly, I am proposing that the paid-up capital tax on corporations be increased by 50 per cent for fiscal years ending after April 19, 1977. The new general rate of capital tax will be three-tenths of one per cent. For banks, the new rate will be three-fifths of one per cent. I estimate that this increase will generate an additional \$68 million gross revenue in a full year and \$55 million in the 1977-78 fiscal year.

Mr. Bullbrook: That's cosmetic at best. That's a drop in their bucket and you know it, an absolute drop in their bucket.

[9:15]

Hon. Mr. McKeough: For corporations paying income tax the burden of this increase is not unduly onerous, since the paid-up capital tax is deductible in calculating taxable income. This feature enhances the overall equity of the corporation tax system. The

\$209 million in tax increases I have just proposed constitutes a fair and balanced increase for the people of the province of Ontario.

Mr. MacDonald: In your view.

Mr. Martel: Especially for the unemployed.

Hon. Mr. McKeough: This budget achieves a pronounced strengthening in the province's financial health, as reflected in the \$311 million improvement in our net cash requirements to a two-year low of \$1.077 billion.

Mr. Lewis: Of estimated revenue.

Mr. Cassidy: Your figures are not to be relied on.

Hon. Mr. McKeough: Moreover, the financial plan for 1977 reduces our budgetary deficit from \$1.279 billion in 1976-77 to \$992 million. Non-public borrowing will be more than adequate to meet Ontario's financing needs.

Mr. Cassidy: That's what you said last year.

Mr. Reid: Before supplementary estimates.

Mr. Breithaupt: You will break a billion.

Hon. Mr. McKeough: This fiscal plan means that for the second consecutive year Ontario will not need to borrow in the public capital markets on its own account. In looking ahead, achievement of a balanced budget by 1980-81 would mean the virtual elimination of the province's reliance on non-public borrowing as well.

Mr. Roy: You haven't had a surplus yet.

Hon. Mr. McKeough: This would greatly enhance our fiscal flexibility. It would permit Ontario's surplus non-public funds to be deployed for major private and public investment projects, such as Ontario Hydro, thereby restoring a more appropriate balance between government and private sector demands on the finite resources of the capital markets. Budget paper C examines Ontario's revenue growth potential and discusses the implications for expenditures of this balanced budget target.

Mr. Bullbrook: You have drained the capital markets for a decade.

Mr. Roy: You have yet to have a surplus.

Mr. Sargent: What do you mean a capital budget target?

Hon. Mr. McKeough: Do you know what you remind me of over there?

Mr. Sargent: What are you talking about? You don't know what you're talking about. Read it.

Mr. Speaker: Order, please. Would the hon. Treasurer continue with his statement, please?

Mr. Sargent: The colour of your handkerchief is about the colour of the budget.

Hon. Mr. McKeough: They're nothing more than the parliamentary equivalent of the Gong Show over there; that's what you remind me of.

Mr. Sargent: On a point of order—

Mr. Breithaupt: If it was the Gong Show the bell would have rung long ago.

Mr. Speaker: There is no point of order. The hon. Treasurer has the floor.

Hon. Mr. McKeough: This budget carries forward the sound management of our economic and fiscal resources. It demonstrates clearly the ability of the government of William Grenville Davis to effectively manage the affairs of this province.

Mr. Breithaupt: I thought they only used the middle name in an obituary.

Hon. Mr. McKeough: It meets our most immediate and pressing needs by funding a large number of new jobs in the construction industry and for our young people—

Mr. Lewis: Nonsense.

Hon. Mr. McKeough: —and it proposes a financing plan that reduces the government's claim on the provincial economy.

Mr. Cassidy: Nonsense.

Hon. Mr. McKeough: As a further expression of our sound management practices, this budget also addresses the longer-term problems—

Mr. Warner: If this is the best you can do, you should resign.

Mr. Speaker: Order, please. The hon. Treasurer.

An hon. member: Read that again.

Hon. Mr. McKeough: I will be glad to repeat it. I liked those words, Mr. Speaker.

As a further expression of our sound management practices—

Mr. Martel: Where?

Hon. Mr. McKeough: —this budget also addresses the longer-term problems of economic policy by establishing a fiscal strategy for balancing the budget by 1980-81.

Hon. Mr. Davis: He will be here to do it too, I can tell you. I've got news for you.

Hon. Mr. McKeough: I believe that this responsible strategy will provide the stability and bolster the confidence our economy needs for continued growth and prosperity.

The government of this province has also demonstrated its concern for those in our society who are less fortunate and who deserve to share fully in the benefits of economic growth and our unparalleled abundance.

Mr. Cassidy: Like the 316,000 unemployed.

Hon. Mr. McKeough: We have assisted youth. We have provided housing. We have developed a plan of workmen's compensation, admittedly not perfect, but which is better than any other.

Interjections.

Hon. Mr. McKeough: We have created, sir, a system of public services unequalled on this continent.

Hon. Mr. Davis: Or in Cuba.

Hon. Mr. McKeough: GAINS and a host of other social service programmes have enhanced the security and dignity of our senior citizens. We have, with some success, spread new economic opportunities to all parts of the province.

Mr. Cassidy: New opportunities to be unemployed.

Hon. Mr. McKeough: And we have provided the hospitals, the schools, the libraries, the recreational facilities, the day nurseries and the cultural amenities—the quality of life that makes Ontario the envy of our American neighbours.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: Sir, with this impressive record of leadership and with our grasp of the realities of economic life, I look forward with confidence to the challenges of 1977 and succeeding years.

Mr. Breithaupt: It is called the last hurrah.

Interjections.

Mr. Speaker: I recognize the hon. member for Ottawa Centre.

Mr. Cassidy: This is a terrible budget, Mr. Speaker, but I shall have more words to say about it on Monday.

Mr. Cassidy moved the adjournment of the debate.

Motion agreed to.

INTRODUCTION OF BILLS

INCOME TAX AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 40, An Act to amend The Income Tax Act.

Motion agreed to.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 41, An Act to amend The Ontario Unconditional Grants Act, 1975.

Motion agreed to.

SUCCESSION DUTY AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 42, An Act to amend The Succession Duty Amendment Act.

Motion agreed to.

ONTARIO LOAN ACT

Hon. Mr. McKeough moved first reading of Bill 43, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Motion agreed to.

VENTURE INVESTMENT CORPORATIONS REGISTRATION ACT

Hon. Mr. McKeough moved first reading of Bill 44, An Act respecting the Registration of Venture Investment Corporations.

Motion agreed to.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 45, An Act to amend The Tobacco Tax Act.

Motion agreed to.

**ONTARIO YOUTH
EMPLOYMENT ACT**

Hon. Mr. McKeough moved first reading of Bill 46, An Act to provide Employment Opportunities for Youth in Ontario.

Motion agreed to.

**RETAIL SALES TAX
AMENDMENT ACT**

Hon. Mrs. Scrivener moved first reading of Bill 47, An Act to amend The Retail Sales Tax Act.

Motion agreed to.

**LAND TRANSFER TAX
AMENDMENT ACT**

Hon. Mrs. Scrivener moved first reading of Bill 48, An Act to amend The Land Transfer Tax Act, 1974.

Motion agreed to.

**LAND SPECULATION TAX
AMENDMENT ACT**

Hon. Mrs. Scrivener moved first reading of Bill 49, An Act to amend the Land Speculation Tax Act, 1974.

Motion agreed to.

[9:30]

**CORPORATIONS TAX
AMENDMENT ACT**

Hon. Mrs. Scrivener moved first reading of Bill 50, An Act to amend The Corporations Tax Act, 1972.

Motion agreed to.

GIFT TAX AMENDMENT ACT

Hon. Mrs. Scrivener moved first reading of Bill 51, An Act to amend The Gift Tax Act, 1972.

Motion agreed to.

**MOTOR VEHICLE FUEL TAX
AMENDMENT ACT**

Hon. Mrs. Scrivener moved first reading of Bill 52, An Act to amend The Motor Vehicle Fuel Tax Act.

Motion agreed to.

ENVIRONMENTAL TAX ACT

Hon. Mrs. Scrivener moved first reading of Bill 53, An Act to impose a Tax on certain Pollutants of the Environment in Ontario.

Motion agreed to.

Hon. Mrs. Scrivener: Mr. Speaker, as proposed in the Treasurer's budget, this bill imposes on the consumer of canned, carbonated soft drinks in Ontario a tax of five cents on the purchase of each can of carbonated soft drink. The tax is to be collected by those who fill the cans with carbonated soft drinks in Ontario or who import canned carbonated soft drinks into Ontario. As stated in the Treasurer's budget, the revenue from this tax is intended to assist the funding of major environmental projects and the construction and operation, by municipalities or community organizations, of collection depots and recycling or reclamation facilities.

In addition to providing for the imposition and collection of the tax on the consumer of a canned, carbonated soft drink, this bill will also provide the administrative provisions usual in other revenue statutes of the province.

On motion by Hon. Mr. Davis, the House adjourned at 9:35 p.m.

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Legislative Assembly

No. 18

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition



Fourth Session, 30th Parliament

Thursday, April 21, 1977

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 21, 1977

The House met at 2 p.m.

Prayers.

ESTIMATES

Hon. Mr. Welch: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor, signed by her own hand.

Mr. Speaker: By her own hand, Pauline M. McGibbon, the Honourable the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1978, and recommends them to the Legislative Assembly, Toronto, April 21, 1977.

DEATH OF MAJOR G. R. SOAME, CD.

Mr. Speaker: Order, please. Just while you are standing, I regret to inform the House of the death on Wednesday of our former Sergeant-at-Arms, Major G. R. Soame, CD.

Hon. Mr. Welch moved, seconded by Mr. Deans, that the House note with profound regret the passing of Major G. R. Soame, CD, Sergeant-at-Arms of the Ontario Legislature from February, 1972, to October, 1976, and that the House do now observe one minute of silence in his memory.

Motion agreed to.

VISITOR

Mr. Speaker: Just before we embark upon the procedures for the afternoon, I am sure that all hon. members will wish to welcome a distinguished visitor to our Legislature, the Treasurer and former Premier of New South Wales, Australia, the Hon. J. B. Renshaw. Mr. Renshaw is seated in the Speaker's gallery.

STATEMENTS BY THE MINISTRY

JUBILEE MEDALLIONS

Hon. J. R. Smith: Mr. Speaker, I am pleased to inform the House the minting of

medallions for students of Ontario commemorating the silver jubilee of Her Majesty's reign has been completed. The medallions, both in English and French, are now being forwarded to schools for presentation to their students on May 20, as suggested by my colleague the Minister of Education (Mr. Wells). I am sure that the members are making arrangements with their local educational officials to participate in the presentation ceremonies.

For the members of this House, the silver jubilee medallions have been encased in Lucite forms and they were placed on your desks this afternoon. Should any member prefer to have the medallion in French, I will be very pleased to make arrangements for them to receive it.

COURT OF APPEAL

Hon. Mr. McMurtry: Mr. Speaker, I would like to place today before the assembly the report of the Attorney General's committee on the appellate jurisdiction of the Supreme Court of Ontario.

This committee was appointed by myself in the fall of 1975 to examine the exercise of the appellate jurisdiction of the Supreme Court of Ontario as a means of meeting the appellate needs of the province and, if necessary, to formulate a more effective means of discharging the appellate function.

The committee recommends an increase in size and a radical restructuring of the Ontario Court of Appeal by creating two separate divisions of that court; one division to hear appeals generally and the other division to hear appeals involving legal issues of general public importance. These recommendations would involve major legislative change.

The committee recommends a number of changes in the administrative organization of the work of the Court of Appeal and makes a number of recommendations on practice and procedures which could be effected without legislation.

In the course of its study the committee distributed a questionnaire to every member of

the Law Society of Upper Canada and had extensive discussions with all segments of the legal community.

The committee states that the aims of its recommendations are to provide speedy justice for the participants in litigation and to provide sound jurisprudence for Ontario.

I would like, Mr. Speaker, to express my gratitude to the members of the committee for the considerable time, effort and thought that they have put into this study. The chairman of the committee was Mr. Justice Arthur Kelly, formerly of the Ontario Court of Appeal, and the members were Mr. Robert Carter, Mr. Brendan O'Brien, Mr. Clay M. Powell and Mr. James M. Tory. They have made a most important contribution to this government's continuing work of improving Ontario's legal system.

The report contains more than 59 recommendations and my ministry is now considering them.

LAND SPECULATION TAX EXEMPTION

Hon. Mr. McMurtry: I am tabling today a copy of the order in council appointing the Hon. Mr. Justice John David Cromarty to conduct a public inquiry into the exemption granted under the provisions of The Land Speculation Tax Act, to Ronto Development.

The terms of reference for the inquiry read as follows:

"To inquire as to whether any undue or improper influence was brought to bear from any source or whether there was any other impropriety of any kind in respect of the decision by the government to grant an exemption, under the provisions of The Land Speculation Tax Act, 1974, to the partnership carrying on business as Ronto Development Company; and to report thereon and to make such recommendations to the Lieutenant Governor in Council as he may deem fit."

The purpose of this inquiry is to respond to the innuendo that has arisen during the debate and discussion—

Hon. Mr. McKeough: Hear, hear!

Mr. Breithaupt: You were doing well until then.

Hon. Mr. McMurtry: —that has centred on the aforementioned exemption, both in the public accounts committee and in this Legislature.

Mr. Cunningham: Whitewash!

Hon. Mr. McMurtry: Such innuendo has, without question, created doubts in the public mind that must be resolved clearly and unequivocally.

It has been suggested by members of the opposition, I understand, that any such inquiry should also review the ministerial procedures that were followed in this instance as well as the decision.

Mr. Bullbrook: You are wrong. That wasn't the understanding.

Mr. Speaker: Order, please.

Hon. Mr. McMurtry: In our opinion, it is not an appropriate matter for a judicial inquiry since it would involve a member of the judiciary in what could clearly be an exercise in the second-guessing of a ministerial decision.

Mr. Nixon: Then why shouldn't a select committee deal with it?

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. McMurtry: The proper forum for that type of exercise—

Mr. Lewis: Louder!

Hon. Mr. McMurtry: —is obviously this Legislature and/or the standing committees which have been created for just such purposes.

Mr. Bullbrook: That isn't what we suggested at all, and you shouldn't be allowed to do it.

Hon. Mr. McMurtry: Should opposition members wish to pursue further the matter of procedures, as well as the ultimate decision of the cabinet to grant the exemption, through a standing committee of this Legislature, there would certainly be no objection from this side of the House.

Mr. S. Smith: Why didn't you do it in the first place?

Hon. Mr. McMurtry: I give that assurance, even though it must be observed that there has been ample opportunity already, in the public accounts committee, to ask all of the relevant questions which now, for reasons which I quite frankly find difficult to understand—

Mr. Reid: We didn't get any relevant answers.

Hon. Mr. McMurtry: —some would want to impose on the judicial inquiry.

Mr. Lewis: We don't mind your concerns.

Hon. Mr. McMurtry: In conclusion, the government is anxious that the public should have all of the relevant information as well as all of the necessary assurances that relate to the exemption granted to Ronto Development Company, and we are taking this step today as a clear indication that we are willing to pursue all necessary and appropriate paths to ensure that this is the case.

POINT OF ORDER

Mr. S. Smith: On a point of order.

Mr. Deans: On a point of privilege.

Mr. Speaker: Point of privilege?

Mr. Deans: My point of privilege, sir, is that having been the member who moved in the public accounts committee that the entire matter be referred to a judicial inquiry, I take great exception to the suggestion by the Attorney General that innuendo, on the part of anyone in this party at least, had any bearing on the decision of the government to conduct such a judicial inquiry.

I want to suggest to the Attorney General that this inquiry, with those terms of reference, cannot possibly find any wrongdoing since no one has suggested there was any. I want to suggest further that it would have been appropriate for such a judicial inquiry to have looked at whether or not the minister and the ministry had before it all of the relevant material necessary to come to a reasonable conclusion with regard to the exemption; that was all that was asked for.

I want to say further to you, sir, in conclusion, that it would make sense—and I'm sure it would be supported by others—that the public accounts committee, adequately staffed, should continue its review of the matter that was before it to come to the conclusion on the matters that the ministry has refused to deal with.

Mr. Bullbrook: There was no need for that statement. The Premier wasn't here for his statement, which was in error and provocative—and it didn't have to be.

Mr. S. Smith: On a point of privilege—

Mr. Speaker: I believe this is more properly a point of order. It's correcting an impression which seems to have been wrong.

Mr. S. Smith: On the same point—

Mr. Speaker: I will hear the hon. member for Hamilton West.

[2:15]

Mr. S. Smith: On the same point that was raised by the hon. member for Wentworth, I want to make it clear that the Liberal Party dissociates itself from this inquiry because, despite our respect for the learned judge, we believe that the judge's hands have been tied to avoid the real issues. What the Liberal Party has requested is that the terms of reference include whether the Minister of Revenue was correctly and adequately informed of all the facts; and if he had been correctly informed of all the facts, would there be in the public Treasury today an additional sum of money, be it \$500,000 or \$2 million.

Hon. Mr. Davis: That is no substitute question.

Mr. Nixon: That's precisely it.

Mr. S. Smith: That is the question precisely. There is no suggestion of innuendo, no suggestion of criminality, no suggestion of wrongdoing—

Some hon. members: Oh, oh.

Hon. Mr. Davis: Read what some of the members have said. Where is the member for Grey-Bruce (Mr. Sargent)?

Mr. Speaker: Order; order, please.

Mr. S. Smith:—and I would like to inform the House that I shall be releasing a statement to the press in Ontario to make that very clear. These are straw men that the government is setting up—

Hon. Mr. Davis: Oh, come on.

Mr. S. Smith:—in order to knock down and give themselves a pat on the back when they don't deserve it.

Hon. Mr. Davis: You are embarrassed beyond need.

Interjections.

Mr. Speaker: Order, please.

Mr. Kerrio: Miffed again.

Mr. Speaker: Order, please. The statement has been made—

Mr. Bullbrook: That's the problem. The statement was made, you allowed it.

Mr. Speaker:—and the points of order have been properly taken.

Mr. Bullbrook: It didn't have to be that—

Mr. Kerrio: You could have built houses with the money you allowed them on paper work.

Mr. Speaker: Order, please.

CLASSIFIED DRIVER LICENCE EXEMPTION

Hon. Mr. Snow: I would like to announce today, Mr. Speaker, that Ontario regulation number 906/76 under The Highway Traffic Act pertaining to the classified driver licence requirements is to be amended.

My ministry has been approached by members of the farming community and the Ministry of Agriculture and Food—

Mr. Reid: And the member for Rainy River.

Hon. Mr. Snow: —who expressed concern that the requirements of the classified driver licensing system might impose restrictions on the farmer's freedom of action in assigning helpers or temporary employees to drive farm vehicles, for example during seeding or harvesting time.

Together with those interested groups, we studied every aspect of the problem and considered several options. One option emerged which we think will meet the main concerns of the farmers, the Ministry of Agriculture and Food and MTC.

In the regulation, we speak of class D and class G motor vehicles. Class D includes motor vehicles which exceed 18,000 pounds gross vehicle weight provided any towed vehicles are not over 10,000 pounds. Class G refers to the licence required to drive cars, light trucks, et cetera, up to a registered gross vehicle weight of 18,000 pounds.

The amendment in effect deems a class D motor vehicle to be a class G motor vehicle if the vehicle is owned by a farmer and used for his personal transportation or the transportation of his farm products, supplies and equipment to and from his farm.

Under the existing regulation which deals with vehicle registration, the farmer's permit for the vehicle is marked "farm vehicle" by the ministry. And such a "farm vehicle" could now be driven on the highways by the farmer or his helpers holding a class G licence.

I feel that this amendment to the regulation will provide a workable solution for the great majority of farmers, while maintaining

control over drivers of the more complex class A vehicles such as tractor-trailers.

Mr. Riddell: Glad you listened to my suggestions.

Mr. Speaker: Order.

ORAL QUESTIONS

UNEMPLOYMENT

Mr. Lewis: May I begin, Mr. Speaker, by putting a question to the Treasurer? In establishing a new unemployment norm of 5.3 per cent, has the Treasurer calculated the additional and continuing costs of social assistance and unemployment insurance benefits to the people of the province of Ontario to pay for the difference of more than 100,000 people who lie between the original three per cent and the present 5.3 per cent; and if indeed he has tabulated those costs, which one would assume he has done, does he not think that those dollars would be better used to create jobs than to pay people for being perpetually unemployed?

Hon. Mr. McKeough: To my knowledge, Mr. Speaker, those calculations have not been done.

Mr. Deans: They have not been done?

Mr. Speaker: A question?

Mr. Lewis: I don't know how they haven't been done, but they haven't been done.

By way of a further supplementary then, can the Treasurer indicate rather more precisely the definition of people who would be involved in this perpetual unemployment syndrome that he has now adopted as social policy, beyond the generalized references in the budget paper to women, young people and those over the age of 54? Can he categorize it more explicitly for us than that?

Hon. Mr. McKeough: Mr. Speaker, no more than I would categorize—and what a cruel term that is—

Mr. Cassidy: You have done a lot of categorizing in this budget.

Interjections.

Mr. Speaker: Order, please. The hon. minister.

Hon. Mr. McKeough: No more than I categorized—nor did I think the hon. member

categorized—the people who were in the three per cent full employment figure or three per cent unemployment. You don't categorize people that way.

An hon. member: You sound like the leader, Darcy.

Hon. Mr. McKeough: We're not accepting that that is an acceptable level of unemployment—

An hon. member: You already have.

Hon. Mr. McKeough: —but I'm not going to categorize people in some bureaucratic and abstract way.

Interjections.

Mr. Speaker: Order, please. A supplementary.

Mr. Lewis: The Treasurer has embodied in his budget paper the punishing and morally reprehensible categories of women as exploiters of unemployment insurance—as secondary earners—of youth as having no particular option or hope for continuing employment, and older people over the age of 54. Does the Treasurer not think it is now appropriate to show how particularly vulnerable certain groups will therefore be, such as workmen's compensation recipients seeking light work; single parent families; those presently on social allowance; those whom he classifies as permanently unemployable? Does he not understand that by categorizing people in his budget paper he has created no prospects for all of these vulnerable groups in society?

Mr. Deans: I don't think he understands.

An hon. member: He doesn't care.

Mr. Speaker: Order.

Hon. Mr. McKeough: Mr. Speaker, the member refuses to recognize that there have been changes in the composition of and the participation in the Ontario, and I assume the Canadian, work force. The fact is that as recently as 1971 participation, for example by adult males, who are males of 15 years and over, was 79.5. That figure has not changed to 1976, when it was 79.6. During that period in time, for a whole variety of reasons, the participation by females in the work force has risen from 40.2 to 48.9.

Mr. Lewis: What's wrong with that?

Hon. Mr. McKeough: Nothing is wrong with that.

Interjections.

Mr. Speaker: Order, please. The hon. minister.

Hon. Mr. McKeough: I think it is of some interest to members and to the public to examine how the work force has been made up and how it is changing. I am not, for one minute, accepting that 5.3 is an acceptable figure.

Mr. Lewis: You accepted it.

Hon. Mr. McKeough: I have not accepted 5.3 as an acceptable level.

Interjections.

Mr. Speaker: Order, please. The question has been asked and the hon. Treasurer is answering; now please, order. The hon. Leader of the Opposition.

Hon. Mr. McKeough: Mr. Speaker, I would be delighted if the hon. member—

Mr. Lewis: You are retreating now.

An hon. member: The budget's only two days old.

Hon. Mr. McKeough: —could point out in the budget document, or in my statement since, where I have said that 5.3 per cent was an acceptable level of unemployment. I suppose there is no acceptable level of unemployment. The fact is that in 1976, the level of unemployment for prime age males from 25 to 54 was 3.4 per cent. I knew people in 1976 who were prime age males who were unemployed and it was unacceptable to them and it was unacceptable to me.

Mr. Lewis: And you do nothing about it.

Hon. Mr. McKeough: I'm not accepting—

Mr. Lewis: You have no policies, that is why you use this.

Hon. Mr. McKeough: I'm not accepting a level of unemployment at three, at one, at 5.3, or at six. That is not the point of the exercise. Nor is the point of the exercise to go on playing politics with the unemployed people of this province.

Interjections.

Mr. Speaker: Order.

Mr. Lewis: On a point of order.

Mr. Speaker: Order, please. Your point of order.

Mr. Lewis: Yes, my point of order, Mr. Speaker, is far from playing politics with the issue, I was attempting to—

Interjections.

Mr. Lewis: Well let me state the point of order. I was attempting to convey to the Treasurer that his establishment of 5.3 per cent as a full employment norm is an excuse for the absence of job-creating policies, nothing less, nothing more; and he should understand it that way.

Mr. Speaker: Order, please. Just on response to the point of order, very briefly.

Hon. Mr. McKeough: Responding to the point of order, let me say this: There is no excuse, there is no justifying the levels of unemployment in this province today. Some of us, and I think some people, are interested in trying to understand the facts; and again I say not play politics with unemployed men and women.

Mr. Deans: You have done it all along, you have always done it.

Mr. Speaker: Order, please. This is getting to be a debate. Thank you.

Mr. Lewis: No, on a point of order, sir.

Mr. Speaker: Your point of order.

Interjections.

Mr. Lewis: On a point of order: The Treasurer has asked where did he say it. On page 12 of the budget, under job creation, he says categorically: "Even in 1973 and 1974, during a period of high growth and rapid inflation, unemployment remained above the then accepted full employment norm. Budget paper A suggests that the full employment target for Ontario appropriate for the 1970s is 5.3 per cent, up from three per cent—" and if it was acceptable then, the Treasurer clearly indicates that 5.3 is acceptable now.

Interjections.

Mr. Speaker: Order. I think the record has been set straight. We will hear a supplementary. Order, please.

Mr. S. Smith: Mr. Speaker, this whole debate has been out of order.

Hon. Mr. McKeough: On a point of order, nowhere am I saying that 5.3 per cent or three per cent or one per cent is an acceptable level of unemployment.

An hon. member: You are not going to weasel out of that one, Darcy.

Mr. S. Smith: This whole exchange has been for the benefit of the television cameras. It has all been out of order.

Mr. Speaker: Order, please.

An hon. member: Where are the jobs?

Mr. Speaker: Order, please. I think that so-called point of order has been stretched far enough. We will have a supplementary question from the member for London Centre.

Mr. Peterson: Thank you, Mr. Speaker. To the Treasurer, Mr. Speaker: Given his new definition of 5.3 per cent for full employment, could he tell us what that relates to, is that to the federal average? Why couldn't it have been four per cent or five per cent, or indeed six per cent; and is it the Treasurer's intention, if unemployment gets worse, to increase that next year to define away some of the problems? The second part of my supplementary is, doesn't the Treasurer think that the relevant numbers are the total number of unemployed, rather than this by and large totally meaningless debate that he has introduced with respect to three or five or six or whatever number he chooses.

Hon. Mr. McKeough: Mr. Speaker, I would suggest, for the member's edification, that if he would read the budget paper he would find the rationale for 5.3. I don't propose to take the time of the House to repeat it to him today. It is fully explained in the paper how 5.3, rather than 3.3 or 6.3 was arrived at. It will be a good experience for the member to sit down and read it.

Mr. S. Smith: It's to make your failure look better, that's all.

Hon. Mr. McKeough: The second part of the member's question—

An hon. member: Get that on TV.

Hon. Mr. McKeough: The second part of the member's question concerned whether numbers are more important. I couldn't agree with him more. Whether it's one person, 100,000 or 300,000, we are concerned on this side of the House and we are not going to go through the twisting that they go through over there.

Interjections.

Mr. Speaker: Order, please.

Mr. Cassidy: Supplementary: Within this permanent army of more than 200,000 unemployed that the Treasurer proposes for Ontario, can he give us the target rates of unemployment for so-called prime aged males and for the three classes of secondary working groups?

Mr. Speaker: Order, please. That's straying from the original question, I believe. That may be a good later question. The hon. Leader of the Opposition's further question.

Mr. Lewis: May I ask the Treasurer: Can he tell the House where he discovered that President Carter of the United States—can he show us the statement in which President Carter has ever announced that 4.9 per cent unemployment is a full employment norm? Would he like to show us the document? I assume he has it.

[2:30]

Hon. Mr. McKeough: Mr. Speaker, that was the Council of Economic Advisers to President Carter; and I would refer the member to a very excellent article in this morning's paper by Wilfred List documenting a number of other sources.

What he also points out is that labour economists don't accept it; so I wouldn't expect the member to either understand or accept it.

Mr. Deans: Where is Carter's statement?

Hon. Mr. McKeough: But the fact is that independent research is accepting a higher number than three. If the member wants to live in his cocoon and twist facts that's fine with us.

Mr. Deans: Did you make that up?

Interjections.

Mr. Speaker: Order, please. The hon. Leader of the Opposition.

Mr. Lewis: The Treasurer said so assertively in the budget delivery that President Carter had made such a statement; I gather he's saying now that it isn't the case?

Hon. Mr. McKeough: No, as I believe I made clear the other night—I said it ad lib—I said that the Council of Economic Advisers—

Interjections.

Mr. Speaker: Order.

Hon. Mr. McKeough: It was not in the budget statement and the member knows it.

Mr. Lewis: You added it.

Hon. Mr. McKeough: I added it because you were interrupting me—so very rudely, I might say.

An hon. member: How do you expect him to concentrate when you're interrupting him?

Mr. Lewis: I apologize for distressing such a frail flower of an adult male.

Mr. Speaker: Order, please. Two people do not have the floor. Is the statement completed?

Hon. Mr. McKeough: Mr. Speaker, if I could just answer the question—

Mr. Lewis: Are your petals wilting a bit, while I ask a supplementary?

Hon. Mr. McKeough: I can give the member some figures.

Mr. S. Smith: I hope it isn't ad lib, I hope it's true.

Hon. Mr. McKeough: Four point nine per cent is the full labour force, according to the Council of Economic Advisers; **three per cent** for prime age males of 25 to 54, is the level set by the Brookings Institution in a report which is coming out soon; 5.6 per cent is, of course, the rate which triggers the federal contribution to the unemployment insurance fund; 4.5 per cent was the figure used by the Economic Council of Canada in the 13th annual review, *The Inflation Dilemma*.

Mr. Lewis: It would be lower for Ontario.

Hon. Mr. McKeough: The Institute for Policy Analysis of the University of Toronto used a figure of 5.5 per cent. Those are just some of the numbers which 5.3 fits into—

Mr. Lewis: For Canada?

Hon. Mr. McKeough: — but if the member wants to go on using something that is 15 years old; something almost as bankrupt as his policy.

Interjections.

Mr. Peterson: Supplementary: Since the Treasurer is in fact forecasting higher unemployment, growing at about five per cent and with job creation falling behind that, is it his ministry's intention to revise its full employment figures up?

Mr. Speaker: Order, please. The hon. leader's question had to do with President Carter's so-called statement.

Mr. Peterson: This relates absolutely and directly, and I think you're being very uncharitable in this particular instance, Mr. Speaker, I really do.

Mr. Speaker: It relates to President Carter's statement? It is very difficult to hear when there are so many interjections. The original question, I remind the hon. member again, had to do with President Carter's alleged statement. I haven't detected the relationship; if here is one I'll hear the hon. member.

Mrs. Campbell: It's a point of order.

Mr. Peterson: In fairness, I will work President Carter into this question, Mr. Speaker.

Mr. Speaker: We'll decide that.

Mr. Breithaupt: I am sure he will appreciate it.

Hon. Mr. Davis: His energy policy or his speech?

Mr. Peterson: All of it, eventually, depending on how much time we have.

Supplementary to the Treasurer: Since he is forecasting higher unemployment running ahead of job creation, does that mean then—so that we are clear on this side—that he will be revising his full employment figures up to match the more dismal figures that are appearing? Is there a possibility that it will be 5.6 per cent or six per cent next year? Is that what he is telling us?

Mr. Speaker: That is supplementary to the first question, not to number two. It is a good question for later.

Mr. Peterson: President Carter is very concerned about this too, Mr. Speaker.

Mr. Speaker: Order, please.

JOB CREATION

Mr. S. Smith: A question of the Treasurer: Given the Treasurer's assertion in last year's budget that 116,000 new jobs would be created in Ontario in the calendar year 1976, can the Treasurer inform the House as to how many jobs were in fact created during the year under his administration?

Hon. Mr. McKeough: I'll get that number; I don't have it here. It's not under my administration. What utter nonsense, what utter nonsense!

Mr. Breithaupt: You said it was not going to happen.

Hon. Mr. McKeough: It's the private sector in this province that creates the jobs, not socialist governments and socialist opposition. What utter nonsense!

Mr. Lewis: That was the Liberal leader's question! Why is the Treasurer so rigid and inflexible all the time?

Mr. Speaker: Order, please. We are straying from a proper question period. The hon. member for Hamilton West with a supplementary to his question:

Mr. S. Smith: I have a supplementary. I recognize, of course, that the Treasurer denies any responsibility for the atmosphere when things go wrong in the private sector, but accepts responsibility when things go well in the private sector.

Mr. Speaker: A supplementary question now.

Mr. S. Smith: But since he doesn't seem to know, and since we wouldn't want him to say anything ad lib, heaven forbid, I will tell him that his own officials say that only 76,000 jobs were created. This means a difference of 52 per cent between the reality and his prediction. I would ask him, therefore, why we should believe his predictions this year about employment when they were 52 per cent off last year.

Hon. Mr. McKeough: Mr. Speaker, I made a speech the other day, and I would be glad to indicate the variation between what we forecast last year and what actually happened. Our one serious error was job creation, most of our other forecasts were on. There is no question that for a number of years the Ontario government, in the person of the Ontario Treasurer—not just me—has stuck his neck out and forecast figures, which the member's good friends in Ottawa have never done because they don't have the guts, they just don't have the courage.

Mr. Breithaupt: Now it is their fault.

Mr. Speaker: Order, please.

Mr. Eakins: Ask Clark.

Interjections.

Mr. Speaker: Order, please. Could we get back to a more proper question period and not be quite so provocative on all sides? A supplementary for the member for Hamilton West first.

Mr. S. Smith: Since the Treasurer admits that his figures were in serious error last year—to use his own words, given *ad lib*—would the Treasurer tell us in what way his method for predicting the unemployment figures this year has changed from last year so that we can have more confidence and lend more credence to the figures this year?

Mr. Eakins: That's a fair question, Darcy.

Hon. Mr. McKeough: Mr. Speaker, I have greater confidence in myself and less in the leader of the third party, and that allows me to think anything I want.

Mr. Ruston: Answer the question.

Interjections.

Mr. Speaker: Order, please. We are wasting good time here. We'll have the final supplementary from the member for Ottawa Centre.

Mr. Cassidy: Mr. Speaker, in view of what the Treasurer just said, can he explain why it is that in this year's budget he did not put a figure on the number of jobs that he hopes will be created in the economy?

Hon. Mr. McKeough: Mr. Speaker, we used, in the forecast—on page 41—we used percentages. There are many things not in my speech—aren't you glad? But I'm saving them for you, I really am.

PEEL TEACHERS' DISPUTE

Mr. S. Smith: My question is for the Premier, if I may just attract his attention for a moment:

Hon. Mr. Davis: Is it my attention or the television you are after?

Mr. S. Smith: Since the Premier represents a Peel riding, could he make some comment regarding the Peel teachers' work-to-rule situation, especially in view of the fact that it is now reported that the teachers intend not to set final exams, that marks will be withheld and the mood has turned rather ugly? Could I ask him specifically would he consider intervening personally, as the students have asked him to do; and can he report on whether the Education Relations Commission have been requested to report immediately on this very unfortunate situation?

Hon. Mr. Davis: Mr. Speaker, in that the city of Brampton is a very important part of the board's activities, I obviously have a very personal interest. The fact that I also have

one of my family in the secondary grades who has not received his examination results—which, probably for him, has not been such a bad thing, in his view; in his view—I emphasize that.

Mr. Peterson: Very much like his father.

Hon. Mr. Davis: Don't misunderstand me—or feel that I'm condoning what is going on—but it all depends on the individual attitude of one or two students. I hope that won't be widely reported.

Mr. Reid: You can count on it.

Interjections.

Hon. Mr. Davis: I should never have said it, I should never have said it; I can see it now.

Anyway, all facetiousness aside, the ERC has summoned both parties. They are meeting at 7 o'clock tonight, and either the minister or myself will keep the House fully informed as this matter progresses. The meeting is called for 7 this evening.

Mr. S. Smith: A brief supplementary: Would the Premier or the Minister of Education feel that their own presence in the situation could be helpful at this point?

Mr. Martel: Probably not.

An hon. member: Definitely not, knowing him.

Hon. Mr. Kerr: Always.

Hon. Mr. Davis: I can assure the hon. member if I felt at this moment that my presence would help, I would be there. Hopefully that occasion will not occur. I really think it is better that it proceed the way it is, with the meeting that has been arranged for this evening.

Mr. Ruston: Get Lorne.

Mr. Sweeney: Supplementary: Given the bitterness with which the students have expressed their opinion on this particular issue, regardless of what ERC recommends, is there some way the Premier could guarantee that the exam results and the career potential of these students would not be damaged by this particular situation? I'm concerned about the bitter feelings of the students.

Hon. Mr. Davis: Mr. Speaker, I am concerned not only about the feelings of the students, I'm very concerned not just as a member but as a parent as to the actual potential effect on the students. I am opti-

mistic that if this matter can be resolved from a straight administrative point of view, the present difficulties can be sorted out immediately. The condition precedent to that, of course, is getting a resolution between the two parties. If that comes about—and I can't comment any further at this moment—if that happens, I can't speak for all the schools but in some I know the testing has in fact taken place and the marks are there. It's a question then of the reporting. This is, shall we say, the mid-term examinations. The escalation of the work to rule has been referring to "final examinations," to the extent that some of the schools allow students to finish—

Mr. S. Smith: Some schools still have those?

Hon. Mr. Wells: All schools.

Hon. Mr. Davis: Oh, listen, I will say the ones I know have them. Perhaps in Hamilton they don't, but in Peel we do; I can't speak for Hamilton.

Anyway, to get back to the question, I really think, knowing a little bit about it, the problem can be solved if the broader problem is concluded in the very near future.

ENVIRONMENTAL TAX

Mr. Deans: Mr. Speaker, I have a question for the Minister of the Environment. Will the minister provide for the House the documentation—which I'm sure must have been available at the time the decision was made to place a five-cent tax on non-returnable pop cans—with regard to the impact of that tax on the employment picture in the industry producing the cans?

Hon. Mr. Kerr: Yes, Mr. Speaker. This bill, of course, will be debated some time in the near future, but in the meantime I would be happy to let the hon. member have any information, background studies, assessments, analyses, that led to that decision.

Mr. Deans: As a supplementary question, I wonder if the minister would be able, today in the House, to tell us what he meant when he said that he did not think the tax would affect the pop can industry substantially? What is his definition of "substantially," in relation to the pop can industry and employment as a result of this five-cent tax? How many jobs may be lost?

Hon. Mr. Kerr: Mr. Speaker, my conclusion is, from the information I have, that there need not be any layoffs in the industry.

The question was referring particularly to the steel industries in Hamilton. In our opinion, there need not be any layoffs as a result of the five-cent tax on pop cans.

Mr. Cunningham: Supplementary: Wouldn't the minister agree that, given the serious difficulties we're having with litter across the province of Ontario and the need to, in fact, emphasize recycling, a five-cent deposit wouldn't have been a better direction?

Hon. Mr. Kerr: No, Mr. Speaker. For one thing, as the hon. member knows, the retail outlets, stores, corner stores, are finding it difficult now to handle a greater increase in returnable bottles. There are complaints that they're not able to handle them, they haven't got the space or the manpower and things of that sort. If we placed a deposit on cans they would immediately have to handle empty cans. It is my understanding that of the three considerations that we had in respect to the can—whether they should be banned, whether there should be a tax or a deposit—it was felt that the tax would be less disruptive to the industry and this would give the government the opportunity to get into the whole programme of recycling, rather than depend on the industry itself to set up recycling depots.

Mr. S. Smith: You are wrong there, part of it should be a deposit.

[2:45]

AGRICULTURAL JOBS

Mr. Riddell: A question of the Treasurer, Mr. Speaker: Can the minister clarify for us, and give us details, of the types of jobs that are to be created in the agricultural sector as outlined in the budget, which indicated that new funding will be provided for job creation in the agriculture infrastructure?

Hon. Mr. McKeough: The Minister of Agriculture and Food (Mr. W. Newman) can supply those details. He is not here, but no doubt he will be.

WIRETAPPING CHARGE

Hon. Mr. McMurtry: Mr. Speaker, on April 6 the member for Ottawa East (Mr. Roy) asked me about a case in Niagara Falls involving wiretapping and a telephone repairman. This is a rather complicated case, but I will attempt to set it out briefly in chronological order for the members.

Officers of the Royal Canadian Mounted Police in Niagara Falls had obtained valid

authorization and renewals for intercepting private communications in a residence in connection with investigation of various drug offences. During the course of this investigation, a Bell Canada employee had occasion to be at the residence in question to make some telephone repairs or installations. The resident of the home told the serviceman that he felt there was something wrong with the telephone and asked that it be checked out.

The serviceman investigated. He found an intercepting device under the rug in the premises and described the nature of the device, which was operational at the time, to the resident of the home. This was apparently in contravention of Bell Canada policy but is not a matter which concerns the criminal courts.

Monitoring officers of the RCMP shortly arrived on the scene armed with a warrant, which purported to permit a search for electronic devices apparently used in contravention of Part IV(i) of The Criminal Code, and retook possession of their device.

Mr. Foulds: You're kidding.

Hon. Mr. McMurtry: The RCMP officers then inquired of Alan Root, Crown attorney for the judicial district of Niagara South, as to whether a charge against the serviceman should be laid pursuant to the provisions of section 178.20(i) of The Criminal Code. Mr. Root was advised that this was possibly the second occasion upon which this particular Bell Canada employee had contravened Bell policy. The policy demands, apparently, that investigations concerning possible foreign devices on company lines are to be conducted by or under the authority of Bell Canada's security department. In light of this information, the Crown attorney requested that a brief be prepared in order to assist him in resolving whether a charge should be laid as requested by the RCMP.

After reviewing the completed brief, the Crown attorney concluded the Bell Canada serviceman had not contravened section 178.20(i) of The Criminal Code. The serviceman had disclosed the existence of an intercepting device, but he had not wilfully disclosed an intercepted private communication; or any part thereof; or the substance, meaning or purport thereof; or the existence thereof, in violation of section 178.20(i) of The Criminal Code.

As a result, the Crown attorney instructed that there was in fact no charge known to

law contained in the information prepared by the officer, and thereby no reasonable and probable grounds upon which the officer could so swear. The officer was told by the Crown attorney that although he could not tell the officer not to swear the information, the officer would have to be satisfied in his own conscience, on reasonable and probable grounds, that an indictable offence had been committed before he could so swear an information. The Crown attorney also told the officer that if such an information was sworn, the Crown would seek a ruling from the court as to whether the information disclosed an offence known to law and would put his ruling on the subject to the trial tribunal.

On March 20, 1977, the charge came on for hearing before His Honour Judge Johnstone L. Roberts at the provincial court criminal division at Niagara Falls. The Crown attorney had discussed his position with the defence counsel, and in open court asked for a ruling upon the validity of the information sworn by the RCMP officer and made his submissions with respect to it. The judge agreed with the Crown attorney's position and as a result thereby quashed the information, thereby discharging the Bell Canada serviceman.

In addition to this information on the circumstances of this case, I have also asked officials of my ministry and the Crown attorney involved to prepare a report on why the RCMP took this course of action in this case, particularly in view of the advice given by our local Crown attorney.

Mr. Singer: Supplementary: Could the Attorney General advise us whether or not he has given instructions to the OPP and to the various forces throughout the province that they don't proceed in the manner that the RCMP did?

Hon. Mr. McMurtry: It hasn't been necessary to give any such instructions, Mr. Speaker.

Mr. S. Smith: I have a brief supplementary, if I might. Is the Attorney General aware of whether the Bell Canada education of its servicemen is such that servicemen could reasonably be required not to divulge such wiretaps as they might discover, but that they have a clearly defined procedure by which to handle such matters?

Hon. Mr. McMurtry: I don't have any additional details with respect to the Bell Canada policy apart from what I have already indicated to members, Mr. Speaker.

Interjections.

Mr. Speaker: Is this a supplementary? Well, I'll allow a final supplementary to the member for Erie.

Mr. Haggerty: Thank you, Mr. Speaker, a supplementary question to the minister: Will he guarantee that there will be some provisions made through his ministry to the federal government that there will be some protection given to the employees? Bell Canada, as I understand it, are supposed to inform the employee of such a wiretap. In this particular case the employee was never notified.

Hon. Mr. McMurtry: Mr. Speaker, I have asked for the additional information with respect to any other circumstances that might be of assistance. Having once had the opportunity of reviewing that information, I think at that time I'll determine whether some specific representation should be made to the RCMP.

CHILDREN'S SERVICES

Mr. McClellan: Mr. Speaker, I have a question of the Minister of Community and Social Services with respect to an application for a judicial inquiry under section 3 of The Child Welfare Act received by him on April 6.

Given that the application brief for a public inquiry documents that a ward of the Peel Children's Aid Society was charged with a criminal offence as a result of his protesting isolation in an unheated, unlit, rat-infested garage; and given that the same ward was, in the words of a family court judge, being railroaded into training school by the Peel Children's Aid; and given, finally, that the application brief documents the destructive use of criminal justice procedures against Children's Aid Society wards, in violation both of the best interests of the children and of their legal and civil rights, including denial of treatment and of counsel, will the minister order a public inquiry under section 3 of the Act: (1) To examine the particulars; (2) to determine whether they typify the administration of The Child Welfare Act; and (3) to render a set of recommendations on the best interests versus the legal and civil rights of children in the care of Children's Aid Societies?

Hon. Mr. Norton: Mr. Speaker, I confirm I have received such a request from a Mr. Wilson on April 6. Immediately upon receipt

of that I asked my staff to review the material and to consult with me, and I have been in regular consultation with them over the past two weeks on the matter of the subject of the request.

Further, on my instruction my associate deputy minister has been in contact with Mr. Wilson. I was advised this morning that as of a couple of days ago a meeting has been set up for tomorrow to explore the matter further with Mr. Wilson personally. I can assure the member that the concerns raised by Mr. Wilson are concerns that are shared by those of us who are involved in the delivery of service to children in this province. As soon as we have had an opportunity to consult directly with him, I will then be in a much better position to determine what the most appropriate course of action is pursuant to his request.

Mr. McClellan: By way of supplementary, would the minister not agree that the ultimate responsibility for making Children's Aid Societies responsible and accountable for the care of children in Ontario is vested with the minister under the Act? Because of this and because this issue raises the question of the child welfare equivalent of malpractice, therefore would the minister not agree he must order a judicial inquiry?

Hon. Mr. Norton: No, not until I have had an opportunity to examine the matter as thoroughly as I possibly can on the basis of the information presently available to me, both from my staff and from Mr. Wilson.

SALES TAX EXEMPTIONS

Mr. Edighoffer: I have a question for the Minister of Revenue. Will the minister indicate to the House whether or not definite action has been taken by the ministry to extend current sales tax exemption to include underground utility cables?

Hon. Mrs. Scrivener: Mr. Speaker, I'll report on this in a few days.

Mr. Speaker: Supplementary?

Mr. Edighoffer: By way of supplementary, I believe the minister wrote to the OMEA on March 8 suggesting that this exemption would take place. I had hoped that there would be a definite answer by now.

Mr. Speaker: So your question is?

Mr. Nixon: Why doesn't she know about it?

Mr. Edighoffer: I would like an answer, yes.

Interjections.

Hon. Mr. Davis: In answer to your question, you would like an answer, "yes."

Mr. Speaker: Is this a supplementary?

Mr. Peterson: I'm just wondering, Mr. Speaker, if the minister could have a standing response to all questions, "I have no idea, Mr. Speaker," and not take up the time of the House.

Interjections.

Mr. Speaker: Order, please. That's not supplementary to this question.

Hon. Mr. Davis: The member has more charity in him than that.

Mr. Speaker: The hon. Minister of Community and Social Services has answers to a question or two—I believe two answers. You may give them now. The hon. minister.

GROUP HOME REGULATIONS

Hon. Mr. Norton: First of all I have a response to the question raised on April 5 by the hon. member for Kitchener (Mr. Breithaupt), at which time he asked a question related to the number of inspectors who were presently engaged in the inspection of children's homes and Children's Aid Societies in the province of Ontario.

I wish to advise him that there are at the present time 12 full-time inspectors and consultants to cover the institutions that he indicated in his question. In addition to this, there are other consultants used on a part-time basis who are concerned principally with financial matters and home economics relating to these homes.

The work of the provincial inspectors is heavily supplemented by Children's Aid workers who regularly visit children placed in residential care by the 50 societies across the province. If these workers identify problems within any one home, they are instructed to contact the provincial inspector for that area, or their head office here at Queen's Park.

Visits are made at least annually to children's boarding homes to do a formal inspection related to the renewal of registration. Many other visits are made to assist with programme development or to investigate complaints. In general, this level of staffing is believed to be adequate for the protection

of the children concerned and the maintenance of programme standards. Of course, accidents will occur in any system, but these cases have not been the result, to my knowledge, of problems in provincial staff coverage to this time.

In addition, I have a response to a question of the same day from the hon. member for St. George (Mrs. Campbell) relating to another group of homes, those homes having fewer than five children. These homes are, of course, not subject to the requirements, at the present time, of The Children's Boarding Homes Act and other provincial legislation and we therefore do not have all of the information that the hon. member requests.

Despite the fact that these homes fall outside the requirements of the legislation, they are by no means left uninspected. Many Children's Aid Societies will not place children in an unregistered home and the exceptions are usually house parents whose work is well-known to the society and who have demonstrated their ability to care for children. They are visited regularly by Children's Aid workers and encouraged to provide all reasonable safety measures.

Furthermore, The Child Welfare Act, section 2, subsection 2(d) provides for the inspection by the province of any place in which a child in the care of the Children's Aid Society is placed. This means that even though the premises may not fall within the requirements of The Children's Boarding Homes Act, it may be inspected. The directions given the inspectors, if children in the care of the Children's Aid Societies are placed in these residences, are that they are to inspect.

Mrs. Campbell: Supplementary: Could I ask the minister if he would clarify the date upon which the additional supervisors were engaged, since the information given to us by his ministry was that there were four and one-half such supervisors? We translated that to between four and five to make it more understandable to those reading the report.

[3:00]

Hon. Mr. Norton: Yes, I will. I don't have that information. I was not aware that there had been any added very recently, but I will check to see when the number became 12.

WOMEN IN LABOUR FORCE

Ms. Gigantes: Mr. Speaker, I'd like to ask a question of the Treasurer. I wonder if he could provide a rationale for counting all

women as part of the secondary labour force of Ontario?

Mr. Lewis: That famous budget paper of yours.

Mr. Deans: Remember, the other night?

Mr. Lewis: Remember that?

Hon. Mr. McKeough: I can't recall off the top of my head. I'll get the answer for the member.

Mr. Lewis: You certainly should.

Interjections.

Mr. Speaker: Order. Is there a supplementary? Yes.

Ms. Gigantes: When the Treasurer is looking into this question to provide a rationale, I wonder if he would take into account the fact that there are 25,000 unemployed women in the province of Ontario who are either: 1. Single, and, therefore, self-supporting; or, 2. Single heads of families, and, therefore, having to support families; and would he take this into consideration when perhaps he thinks of redefining what the primary labour force of Ontario is?

Mr. Speaker: I understand the answer is "yes."

Mr. Cassidy: Supplementary—

Mr. Speaker: Well, was the hon. member for Peterborough wishing to ask a supplementary? We'll allow the member for Peterborough with her supplementary.

Ms. Sandeman: Yes, I was waiting for the answer, Mr. Speaker.

Further to the previous supplementary, would the Treasurer also take into account those women who do not appear on the unemployment rolls, but who were referred to by the previous Minister of Community and Social Services (Mr. Taylor), those women currently receiving family benefits whom the minister wished to get back into the work force, by encouraging them with leaflets entitled *It Pays To Work*?

Hon. Mr. McKeough: Mr. Speaker, I will certainly take into account the concerns of both Ms. on the other side.

Mr. Reid: Why not all three Ms.?

Mr. Lewis: That speaks to your definition in the budget paper and that's all wrong.

Mr. S. Smith: They're Ms.-able, that's what they are.

Mr. Reid: Two Ms. and one miss.

Mr. Breithaupt: This last miss is as good as a mile.

Mr. Speaker: Order.

Mr. Cassidy: Supplementary: Since the Treasurer is now becoming aware of his definition of women as being secondary in the labour force, can he also give us the target rate of unemployment for secondary members of the labour force, which is included in the budget paper study but not given in specific detail?

Hon. Mr. McKeough: No, Mr. Speaker, there is no target rate. We have made a forecast of what unemployment, we think, will be.

Ms. Gigantes: Can you define the high employment norm?

Hon. Mr. McKeough: We have not broken that target rate down into classes.

GRANTS TO CONSERVATION AUTHORITIES

Mr. O'Neil: Mr. Speaker, I have a question of the Minister of Natural Resources. Concerning the grant payments to conservation authorities, including supplementary sums, for the fiscal year 1975-1976, could the minister confirm these figures: Central region, \$20,318,974 or 64.71 per cent; southwestern region, \$5,013,352 or 15.97 per cent; eastern region, \$4,504,546 or 14.35 per cent; and the northern region, \$1,562,866 or 4.97 per cent; for a total of \$31,399,738? Could the minister give the Legislature some assurance that the government will reassess future allotments so that eastern and northern regions of Ontario will receive a more equitable consideration in the allocation of funds?

Interjection.

Hon. F. S. Miller: I'm not sure of the second decimal place in each case, but I'll be glad to check. The fact remains that I have met with the chairmen of the conservation authorities, all 38 of them, a week ago. I think if one looks at the requests from the various regions, each region always feels that it's getting less than the others in terms of its own share. I believe that the proportions are reasonably fair. At the same time, I'm quite willing, as a new minister, to look at them and see if they are fair.

I think one has to realize that those conservation authorities are in different stages

of development. Some, such as those along the Grand River, have had many years of experience and others are just beginning. I think one will find that mature conservation authorities have an altogether different type of programme and dollar demand than those that are just beginning, and therefore straight percentages never reflect the true picture.

Mr. Reid: They know how to get the money.

Hon. F. S. Miller: Secondly, the watersheds and their problems are not necessarily the same. Up in the Shield region, we don't have the basic problems of flooding in most areas that one does in the lowlands of southwestern Ontario. I think one has to take those into consideration.

Mr. Reid: You didn't give us any money for the Rainy River area.

Hon. F. S. Miller: It depends upon the area in general.

Interjections.

Mr. O'Neil: Supplementary: Considering that there is this disparity between the 64 per cent approximately for the central region and 14 per cent to the eastern region, is this the only criterion the minister follows on some of these things he has just mentioned; or are there other criteria?

Hon. F. S. Miller: Is what the only criterion?

Mr. O'Neil: The things the minister has just mentioned, or are there others?

Hon. F. S. Miller: There may well be. I don't pretend, after two months and 17 days, to be an expert yet.

Mr. Reid: You just found the office.

Mr. Nixon: The Minister of Health (Mr. Timbrell) knows a lot more about the Ministry of Health.

Mr. Speaker: We'll have one final supplementary on this. The member for Port Arthur.

Hon. Mr. Rhodes: Was the member out last night?

Mr. Foulds: No, I've got a migraine.

Does the minister consider that conservation authorities in central and Metropolitan Toronto areas and southwestern Ontario have a different set of priorities and definition of functions than do the conservation authorities

in eastern and northern Ontario? Does he consider that proper? For example, does he consider it proper for the conservation authority in Metropolitan Toronto to have bought a golf course for several million dollars about four years ago?

Hon. F. S. Miller: I can't look into the past, I can only look into the future.

Interjections.

Hon. F. S. Miller: I only know that conservation authorities' grants and direction have been directed toward their primary function, that is flood control.

Mr. Speaker: The hon. Minister of Labour has the answer to a question asked previously.

DRG GLOBE ENVELOPES LIMITED

Hon. B. Stephenson: At the end of last week, the member for Oakwood (Mr. Grande) asked me to reply to a question which he had asked in December. I noted at that time that I thought I had written the response. I had written the response but the hon. member feels that it should be responded to in the Legislature. Therefore, at his request, I am reading the response in the Legislature.

An hon. member: I hope it's not too long.

Hon. B. Stephenson: It's relatively brief. This matter was brought to our attention last fall with the result that the employment standards branch of this ministry conducted an audit of DRG Globe Envelopes Limited. I am advised that a petition was received from the employees of that company requesting a 15-minute break for an eating period, with the night shift to close down at 15 minutes prior to the regular shift close. As this petition was signed by almost 100 per cent of the employees in favour of the request, the director of employment standards approved the practice, according to section 22 of the Act. I note that the eating break is approved—and it is a 15-minute period and not a 10-minute eating break, as recorded in Hansard. This approval was granted on the condition that the employees involved are allowed sufficient time during each shift to attend to their personal hygiene requirements.

Mr. Speaker, I have a very brief answer to another question asked by the leader of the third party last week.

Mr. Speaker: All right.

WOMEN CROWN EMPLOYEES

Hon. B. Stephenson: He asked how many of these members on the senior list in the government were women. The total number of individuals listed on the senior list, that is those at the level of executive director or higher, is 160, and of that total, five are women.

Mrs. Campbell: Great.

Hon. B. Stephenson: It is.

Mr. Lewis: From zero to five, that's quite a jump.

NIAGARA REGION OFFICIAL PLAN

Mr. Swart: I'd like to put a question to the Minister of Housing. As a result of the request by myself and several other individuals and organizations, will he confirm that he will refer the urban boundaries decision of the Niagara regional official plan to the Ontario Municipal Board for a ruling by it?

Mr. Riddell: The member didn't get a very good write-up on that, as I recall.

Hon. Mr. Rhodes: As I think I have already communicated to the hon. member, for those persons who do in fact have legitimate referral requests on that particular official plan, including the urban boundaries, to the Ontario Municipal Board, they shall certainly be so referred, there is no question about that. I believe he would agree that I have asked him to make sure that all of the information be made available that was required by the ministry for such a referral.

Mr. Swart: Supplementary: Given that the recent report of Peter Barnard Associates, which was commissioned by his ministry, shows a dramatic reduction in the estimated growth in the Peninsula, a requirement of only 8,000 acres for residential development compared to the 23,000 acres which are left in the plan; and given that the Niagara regional planners, in reports of March 23, confirmed these reduced requirements; will he, therefore, either on his own prior to referring to the Ontario Municipal Board, or in the request to the Municipal Board, assure that the growth boundaries in the fruit, grape and the prime food land area are further cut back so that they will have some meaning in preserving these lands?

Hon. Mr. Rhodes: Well, considering that the hon. member has indicated that there is, perhaps, only a need for 8,000 acres for growth in the particular area, then there is, of course, 15,000 acres that will not be used, and he shouldn't be that concerned. The matter will be referred to the Ontario Municipal Board and we will allow it to peruse what has been done, both by the region and by the ministry—that is anything which has not received the unanimous approval of those supporters of the hon. member.

MEDICAL SERVICES IN NORTHERN ONTARIO

Mr. Reid: I have a question for the Minister of Health, dealing with medical services in northern Ontario. Could the minister advise if he plans on changing his programme to provide doctors and dentists to isolated communities? Is he going to bat for these communities by getting the doctors and dentists, particularly those who come from overseas, extensions to the one-year contract on their visas to enable them to operate and live in northern Ontario so that those communities may have some continuity of service from these people?

Hon. Mr. Timbrell: While my experience of that programme is limited to date, my understanding is that in all cases, whether they be physicians from overseas or people from Ontario or elsewhere in Canada, they are all on contract. It is an annual renewal.

Mr. Reid: They have to go back. They have to leave and come back.

Hon. Mr. Timbrell: Not if they are on contract. I don't believe so. If there is a renewal of the contract, it is a mutually satisfactory relationship. If the member has a particular case about which he is concerned, please let me know.

Mr. Reid: Supplementary: Under the present system they are here under working-status visas and not under landed immigrant status; therefore they have to return to their country if they wish to settle in these communities.

In the same vein, if I may: Can the minister outline the dental car programme for northern Ontario? I understand we will be getting a few more dental cars to provide service to children, particularly where the greatest need is in northern Ontario—in the elementary and pre-elementary grades.

Hon. Mr. Timbrell: On the first point, vis-à-vis doctors who are coming from overseas, certainly the decision as to whether they will be granted extensions under immigrant status—and they are from time to time—is that of the federal government, particularly if the immigrant is prepared to take part in the programme for the isolated areas.

Now, on the second point, to be honest, I don't remember the details of all that we have decided. Certainly, we are putting several more vans on the road to carry out the dental programme. But if I can take that as notice, perhaps I will send the member a letter that will outline all the details of what we are doing in that area.

Mr. Bain: Supplementary: Am I to understand that the minister is going to send the member for Rainy River a letter on it? If he is just going to report to him, I would appreciate it if he reported to the House, because there are a number of northern members also interested in the same subject.

Hon. Mr. Timbrell: It's just that the member for Rainy River is the only northern member who has ever expressed an interest on this point.

Mr. Reid: On a short supplementary—I might as well, while I am ahead.

Mr. Foulds: Read your correspondence.

Mr. Speaker: Order.

An hon. member: Join Jack Horner over here.

Mr. Martel: You sound like Bernier.

Mr. Reid: Would the minister also look into the drug benefit plan that now requires drug benefits for senior citizens to be purchased from an Ontario pharmacist? In northern Ontario many people have to go to Winnipeg or the United States and go to a hospital to purchase drugs. Would the minister look into that?

Mr. Speaker: That is not that closely related to the original question. We will hear an answer from the Minister of Correctional Services.

Mr. Bain: Point of personal privilege, Mr. Speaker. I would appreciate it if the minister would reconsider the statement he just made about northern members. I know that I have contacted—

Mr. Speaker: Order, please. It is not a point of personal privilege. We are wasting

the time of this question period. The hon. Minister of Correctional Services.

[3:15]

TRAINING SCHOOL TEACHERS

Hon. Mr. Meen: I guess I now have the floor, Mr. Speaker. I have the answer to a question asked by the hon. member for Cambridge (Mr Davidson) on Tuesday, April 19 last, relating to Champlain school at Alfred.

The recommendation last year for an increase in the teaching staff at Champlain school was related to a transfer of students from Cecil Facer school in Sudbury. This caused the count to rise to 90 students at Champlain. Now it is down to 60, and of that total only 47 are actually receiving classroom instruction in the school. The present count at Cecil Facer school is now some 40 below capacity and is unlikely to affect further the Champlain school count, which has continued itself to decline.

There will be no reduction in staff at all until September 1, 1977. All programmes instituted for this school year will continue to run and will be completed. Should school enrolment increase significantly for any reason in the future, the collective agreement contains a recall clause, and we will have the number of teachers in the classrooms necessary for the programmes to be taught.

The present enrolment provides a pupil-teacher ratio of five to one, not counting the principal. Tentatively, the pupil-teacher ratio next September would be seven to one, which is more than adequate, even for the school's type of child. Remedial programmes are of high priority in our training schools and we have no intention of lowering that priority. Adequate organization of the timetable and homogeneous grouping of students in classes of fewer than eight pupils will continue to provide effective remedial assistance and individualized attention.

Of the three teachers declared redundant for the next school year, two are shop teachers and one is an elementary remedial teacher. In order to ensure continued programme adequacy, two of the shops are being combined. This redeployment of facilities and staff, when combined with the rearrangement of the present timetable, will leave sufficient teachers for us to continue to provide the full range of academic programmes as offered at present.

I can assure the hon. member for Cambridge that there is no intention whatever to discontinue any of the programmes.

Mr. Davidson: Supplementary: Is the minister not aware that the principal at Champlain school has expressed very much concern regarding the elementary programme that exists? Can the minister assure me that the reduction of the number of teachers in that school will not eliminate the elementary programme that's now in place?

Hon. Mr. Meen: Mr. Speaker, I am advised that any of the programmes in place will continue. I am aware that there was some concern expressed by the teachers—and that may have included the principal, I can't say—at the time of this readjustment. I believe this has been sorted out satisfactorily. What I have just said is, I can assure the hon. members that the programmes at present in place will continue.

Ms. Sandeman: Supplementary to the minister's answer: In view of his stated dedication to the provision of remedial education in the training schools, could he explain why recently-announced layoffs—for instance, at Brookside school—have included layoffs of remedial teachers?

Hon. Mr. Meen: I haven't any specific details on that, Mr. Speaker. I simply can say that the extent to which remedial teachers would be required is taken into account when the redundancies are determined.

GOVERNMENT COMPLEX IN TIMMINS

Mr. Ferrier: I have a question for the Minister of Government Services. Is the minister able to tell us what the plans are for the government office complex in the Timmins area? Is it going to go ahead or where does it now stand?

Hon. J. R. Smith: Mr. Speaker, it is under review.

Mr. Ferrier: Supplementary: In view of the fact that the Treasurer in 1975 said this was a top priority item as far as creating employment is concerned, and that tenders were called during the election and then withdrawn after the election—

Interjections.

Mr. Speaker: Order, please.

Mr. Ferrier: —I wonder if the minister can tell us how long this matter is going to be under review? Do we have to wait from now till eternity to get an answer?

Mr. Foulds: Or the next election?

Hon. J. R. Smith: Mr. Speaker, I don't think the member will have to wait too long.

GASOLINE RETAIL PRICES

Mr. Spence: A question for the Minister for Consumer and Commercial Relations. Would the minister inform us why there is such a wide differential in gasoline prices across the province of Ontario? In one area two weeks ago, around Paris, the price of gasoline at the pumps was 80.9 cents. In other towns and villages in the province of Ontario the price of gasoline was 89.9 cents. Is the minister going to take any action in regard to this wide differential in prices as it concerns many businessmen in our towns and villages across the province?

Hon. Mr. Handleman: Mr. Speaker, I suppose the reason there are differences in prices is because we still have the competitive system in Ontario. Some people sell their product at a lower price than others. I hope we will always have it that way.

Mr. Foulds: It's called monopoly capitalism.

Hon. Mr. Handleman: If it is suggested that we should have a single-price system for gasoline in Ontario, then I simply have to reject the suggestion. There must be competitive forces. That doesn't mean that where exorbitant prices are being charged my ministry is not interested in them. We certainly would appreciate receiving any information to that effect.

Mr. Nixon: Just a little free enterprise, not too much.

Mr. Speaker: The oral question period has expired.

Petitions?

Order, please.

POINT OF ORDER

Mr. Swart: Point of order, pursuant to the order of the Legislative Assembly passed on December 16 in rule 28, I am dissatisfied with the answer of the Minister of Housing (Mr. Rhodes) to my question today and would like to debate it tonight at 10:30.

REPORTS

Mrs. Campbell from the standing procedural affairs committee presented the com-

mittee's report which was read as follows and adopted:

Your committee has carefully examined the following application for a private Act and finds the notice, as published, sufficient:

Borough of North York.

Mr. Renwick from the standing administration of justice committee presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bills without amendment:

Bill Pr2, An Act respecting the Trustees of the Toronto General Burying Grounds.

Bill Pr4, An Act respecting Canada Trustco Mortgage Company.

Bill Pr6, An Act respecting Webwood Investments Limited.

Bill Pr9, An Act respecting the Borough of East York.

Bill Pr11, An Act respecting Lombardo Furniture and Appliances Limited.

Bill Pr13, An Act respecting Kevalaine Corporation Limited.

Bill Pr16, An Act respecting Fred Leblond Cement Products Limited.

Bill Pr19, An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria, in Ontario, Canada.

Bill Pr24 An Act respecting Frank Post Enterprises Limited.

Your committee further recommends that the fees, less the actual cost of printing, be remitted on Bill Pr19, An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria, in Ontario, Canada.

Mr. Gaunt from the standing general government committee presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bills without amendment:

Bill Pr5, An Act respecting the Borough of York.

Bill Pr120, An Act respecting the Village of Erie Beach.

INTRODUCTION OF BILLS

ONTARIO WASTE DISPOSAL AND RECLAMATION COMMISSION ACT

Mr. B. Newman moved first reading of Bill 54, The Ontario Waste Disposal and Reclamation Commission Act.

Motion agreed to.

Mr. B. Newman: Mr. Speaker, the purpose of this bill is to establish, as mentioned in the title, an Ontario waste disposal and reclamation commission to have the authority in matters concerning reclamation and recycling of liquid, solid and gaseous waste, with particular reference to possible development of energy from these sources.

PERFUME AND COSMETICS BARS LIMITED ACT

Mr. Peterson moved first reading of Bill Pr27, An Act respecting The Perfume and Cosmetics Bars Limited.

Motion agreed to.

Interjections.

Mr. Speaker: The hon. member for London Centre; any explanation of the principle?

Mr. Peterson: No, no explanations, Mr. Speaker. It is a private bill; I'm very embarrassed. Please don't try to embarrass me, Mr. Speaker.

RYERSON POLYTECHNICAL INSTITUTE ACT

Hon. Mrs. Birch, on behalf of Hon. Mr. Parrott, moved first reading of Bill 55, An Act respecting Ryerson Polytechnical Institute.

Motion agreed to.

Hon. Mrs. Birch: The purpose of this bill is to establish a new governing structure for Ryerson Polytechnical Institute. The size of the board of governors is being increased from 13 to 23. An academic council to oversee educational policy at the institute is being established.

This bill is based upon a report received from the board of Ryerson and in addition consultation has taken place with all elements of the Ryerson community.

LEGISLATIVE SCHEDULE

Hon. Mr. Welch: Mr. Speaker, before proceeding with the orders of the day, as it is the custom now on Thursdays to indicate the order of business for the ensuing week may I take this opportunity to indicate that next week on Monday we'll have the contribution

in the budget debate of the member for Ottawa Centre.

An hon. member: Call that a contribution?

Mr. Moffatt: And Tuesday evening.

Hon. Mr. Welch: We do not sit, of course, on Monday evening. No doubt the member for Ottawa Centre will be completed before we rise on Monday.

An hon. member: We hope!

Mr. Cassidy: We are sitting in the evening I trust?

Hon. Mr. Welch: No, not on Monday. Tuesday afternoon we then have the contribution to the budget debate of the member for London Centre.

Hon. Mr. Davis: I want you to spend all weekend getting your contribution ready.

Hon. Mr. Welch: Following that short presentation on Tuesday afternoon—

Mr. Nixon: It is going to be the same as last year? Marvellous speech.

Hon. Mr. Welch: —for the balance of Tuesday afternoon and Tuesday evening we will proceed to carry on with—

Mr. Breithaupt: The member for London North (Mr. Shore) won't have to be here because we are giving the same speech again.

Hon. Mr. Welch: —orders 13, 14 and 16. On Wednesday, of course, there is no House, but there is committee work. Thursday afternoon we'll do private members' business; Thursday evening, budget debate. Friday morning, budget debate.

Mr. Martel: Are we still going to be here by then?

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS:

MOTION NO. 2

Mr. Singer moved private member's motion No. 2:

Resolution: That in the opinion of this House: 1. The government should establish a register of all properties owned by the province of Ontario or by any of its boards or agencies, which register shall be set out the following: (a) the date on which the land was acquired; (b) the size of the parcel of land; (c) the total acquisition price; (d) the

purpose for which it was acquired and the approximate date that it is anticipated that it will be used for such purpose; (e) the present use of the land; (f) the authority which allowed its acquisition; (g) the amount of commissions paid to any persons or agents concerning the acquisition and to whom they were paid; (h) the amount of legal fees paid in connection with such acquisition and to whom they were paid; (i) that such register be open to inspection by any interested person.

[3:30]

2. The government should establish guidelines for all future acquisitions which will ensure the clarity of procedures and the fairness whenever land is acquired; and that such guidelines be approved by this House; that when any land not owned by the province of Ontario or any of its boards or agencies is acquired that within three months of the date of such acquisition full details concerning the acquisition are added to the register referred to above.

3. When any land owned by the province of Ontario or any of its boards or agencies has been disposed of, full details of such disposition be added to the register referred to above within three months of such disposition.

Mr. Speaker: The hon. member for Wilson Heights may proceed with his dissertation.

Mr. Singer: The purpose of this motion, Mr. Speaker, is to bring as forcefully as I can before this House one of the very serious denials of public information. It's a matter that has caused us trouble in this Legislature for many years—certainly for all of the years that I have been here—and that is our inability to find out what lands the government of Ontario owns, why it bought them, the prices that were paid for them, the manner in which the lands were acquired, whether or not information has been leaked, whether or not there is a standard procedure whereby lands are acquired and on whose authority the land was acquired. From time to time, unfortunately, there has been the suspicion in the minds of many people that the procedures used and the lack of public availability and public information has tended to allow improper practices which have benefited only a few of the citizens of the province and not all of the people of Ontario.

With this in mind, I must point out that it is unfortunate that the Minister of Housing (Mr. Rhodes) hasn't seen fit to be present here, because he and his predecessors are the ministers of the Crown to whom the majority

of our criticism has been directed over these many years. When the new minister arrived in his portfolio not too long ago, some of us thought that perhaps a new breath of fresh air had come on to the scene and we were going to get some new and enlightened leadership from that minister, because during the course of consideration of his estimates a couple of years ago he did say that a method could be worked out, he thought, that would allow the examination of the minutes of Ontario Housing to be made public.

He promised subsequently to that, in answer to questions put to him, that he was going to ask for representatives of the three parties to get together and he would chair a meeting where the procedures could be determined upon. That sounded very brave, but nothing has happened since. I am told—and again it is unfortunate that the minister isn't here—that when he took that proposition back to those people who populate the directors' table at Ontario Housing Corporation, they talked him out of it. So much for enlightened information; so much for the public right to know what is going on.

You have been around here long enough as well, Mr. Speaker, to know that every time the breath of suspicion is raised about land acquisition or land disposition policies, almost a full and complete iron curtain descends in front of and around those ministers responsible for such acquisitions or those agencies that have been active in making this kind of expenditure of public money. This was particularly evident after the decision of the government in relation to the bill of the hon. member for Lakeshore (Mr. Lawlor) asking for disclosure of public information, the one that was debated last week, when the government members, every one of them, stood in their place and said, "No, we don't even want to vote on that, because there is a green paper or a white paper or something. We don't want any disclosure of public information. But be patient, some years from now—maybe another 10 or 15 years—you are going to get some kind of a bill."

The reason that my motion is here today is to take up one of the most objectionable, most improper, most obnoxious methods of government handling of its business and to debate on that, together with my colleagues and hopefully with the support of the other two parties, what I think should be a most important step in public policy.

I am going to deal, not too lengthily, with some of the land assemblies that we have questioned in recent days, or the media have

questioned. My colleague from Brant-Oxford-Norfolk (Mr. Nixon) will be addressing himself, I am certain, to what happened in South Cayuga. But there was never any answer given to the charge made in the Toronto morning newspaper that a Mr. White, who was quite prominent around here in other days and was responsible for acquiring pieces of land, went out and bought twice as much land in the name of the province as the province needed, merely to satisfy his own whim.

The South Cayuga land acquisition was a very fascinating one. It was never explained and I suppose the government thinks that because White is no longer here that it never need be explained again. What happened to the government money? Why was that money spent? Why was it in the public interest? Why is it necessary to spend some \$2 million each and every year to maintain that property, which apparently the people of Ontario didn't need to have in their ownership in the first place? These are things that hopefully this system that I have outlined might supply answers to.

There was the South Milton land assembly, Mr. Speaker, and you'll remember that one. We spent some time in this House trying to find out how it was acquired, why different prices were paid to landowners who abutted each other. In some cases, some got a few hundred dollars an acre; others got several thousand dollars an acre.

Why was expropriation not used? Why were middlemen allowed to come in? And in one particular case—and I am not going to rehash all of the sordid history of that land acquisition—but in one case that I made full reference to—and it's there in Hansard and I am not going to repeat my 1974 speeches at great length, but there they are in November of 1974—why was one middleman allowed to come in and make a profit of at least \$2 million without laying out a penny of his own money because the government had embarked on this obscure and needless land acquisition in the South Milton area?

When we asked the minister of the day why it was done, the best answer he could come forward with was "it's in the public interest to land bank this land, which we might use in the year 2025 or some time thereafter, provided we want a pipeline from Lake Ontario all the way up there"—what, 10 or 15 miles of pipeline to carry water up there?—"then the land might be used."

But the one particular gentleman—and certain people associated with him—managed, I suppose just because of his peculiar business

sagacity, to find out that it was worth his while to get options to purchase this property just one step ahead of the government land agents who were coming along and they bought all that he had optioned. He made this profit and apparently put up no money of his own. Marvellous if you have this particular kind of sagacity, and marvellous if the government's processes are so slipshod, so sloppy, and so open to question—and never have to be accounted for, that's the point.

There is the whole Kitchener-Waterloo land assembly, and the story there is a fascinating one. In 1968, some 3,000 acres were purchased by Ontario Housing Corporation and they paid some \$5,246,000 for them. My colleague, the member for Brant-Oxford-Norfolk commented on that one in 1968. My colleague, the member for Kitchener, has commented on it. My colleague, the member for Waterloo (Mr. Good), has commented on it. But again, we draw nothing but blanks.

What is happening with those acres, Mr. Speaker? We have tried to find out something about it. Ontario Housing, as we have been told, is waiting for official plans from the Ministry of Housing before moving forward to develop it. Meanwhile, the land is being leased back to the farmers it was purchased from and there is talk now that maybe it's going to be sold back to the farmers it was purchased from. On a leasehold basis, it's not economical. The farmers who lease back land they originally owned are very reluctant to invest money in farm machinery and so on because they don't know how long they're going to be allowed to stay.

As I say, we tried to find out some of the things that are happening in regard to that land. We spoke to a Mr. John Guthrie who, I'm told, is the executive assistant to the Minister of Housing. As a result of conversations with Mr. Guthrie, it becomes apparent that some of the land in the 3,000-acre assembly is prime and actively used agricultural land. To quote from the ministry: "In keeping with the government's guidelines on agricultural land, if some of the land is not needed for housing, then perhaps it's best to leave it for farming." This is 1977—more than nine years after the land was acquired. "Therefore, if and when there is a decision made on all this land, the Ontario Housing Corporation, together with the municipality, if it's determined that some of this parcel is surplus to development needs and will be surplus forever"—whatever that may mean—"then it will be offered to sale first to the original owners."

I hope the original owners are blessed with longevity because by the time anyone makes

up his mind as to what's going to happen with this 3,000-acre assembly, if it proceeds at the pace at which it's now proceeding, the original owners will long since have gone on to other places.

A problem was put in its perspective by Bill Thompson of the Kitchener-Waterloo regional office. He's quoted as having said: "In the official plan for Kitchener-Waterloo, about two-thirds of the 3,000-acre assembly is not, according to the present development plan, necessary for housing. The region realizes the value of this land as farming and wishes it to remain in that use. The problem"—as they see it—"is then will any farmer be able to buy back the land at the current market value from the Ontario Housing Corporation? If not, the land will fall to developers and will be lost forever as farm land."

We have the official plan of the Kitchener-Waterloo area and I'd certainly be glad to acquaint any of the members with its contents if they are interested in it. I see the Minister of Housing is here and I'm very pleased about that. But let me go on about the Kitchener-Waterloo plan. "Nine years after the assembly of these acres, the government still has made no commitment on its fate. Reporters from the Kitchener-Waterloo Record asked Mr. Rhodes if this land would possibly be sold back to the original owners who were the farmers. Mr. Rhodes replied: 'Possibly 1,000 acres might be returned to the farmers at agricultural prices rather than at development prices.'"

That's fascinating. The Minister of Housing and his executive assistant don't seem to be in accord with what the planners are talking about for that area. "The vice-chairman of Ontario Housing Corporation, Mr. Riggs"—and he gets into the act every now and then—"informed us that no decisions would be made by Ontario Housing Corporation without a review with the municipality concerned since the regional Kitchener-Waterloo official plan had been approved. The Ministry of Housing has made no official statement on the 3,000 acres. The province simply disrupted the lifestyles of many farmers by pressuring them into selling their land, leased it back to them through leases, containing, in some cases, a six-month notice clause, and now may be selling part of the land back"—but the final answer certainly has not been made known by the minister, by Ontario Housing, or by anybody else who has anything to do with government—"much to the regret of some farmers who gave up farming amidst the uncertain climate of ownership of the land by the provincial government for

the past nine years." And there are all sorts of newspaper clippings in the local papers complaining about this situation.

Surely this kind of problem cries out for some kind of remedy. If the government is going to carry on public business and if it is going to waste public money, surely it should be accountable. Surely the government should be the first organization that should say: "This is what we are doing with the public money. This is why we have done it. This is why we laid out large sums of money. This is why the land is presently standing fallow." And do we get any of that, Mr. Speaker? Not a bit.

[3:45]

Let me tell the House about the Edwardsburgh land assembly. That's that great one down in eastern Ontario. It's the great one that the Minister of Industry and Tourism (Mr. Bennett) prominently got on public record saying: "We don't want any of that there here. Anybody would be crazy to put industry here."

Hon. Mr. Taylor: He speaks better English than that.

Mr. Singer: It's my English you're complaining about?

Mr. Bullbrook: He was merely paraphrasing.

Mr. Singer: Here's the headline: "Kept in Dark on Land Assembly Planning, Bennett Derided for 'Foolish Buyer' Talk." How many acres did we get down there? That piece of land has come under the aegis and control of something called the Ontario Land Corporation.

I talked to Mr. Omand, who is the general manager. Mr. Omand is a very honest and frank civil servant. He said: "Yes, we have control over all those acres down there, 10,000 acres at Edwardsburgh. We have control over them. I want to tell you, we didn't buy them. The Ontario Land Corporation didn't buy them. However, they were bought and now we have control of it. Unfortunately, nobody seems to be interested in using it for industry."

One wonders when government can act in this unusual way, even against the advice of the Minister of Industry and Tourism. They keep him in the dark. He told them in this House that they were crazy. He told them in speeches that they were crazy. One wonders how the government conducts its business and what kind of sense this possibly makes.

Mr. Eakins: Do you agree with him today, Jim?

Mr. Singer: There's the Saltfleet land assembly. Ontario Housing has 1,670 acres, bought between January 2 and February 6, 1968, for \$6.5 million from Jonenco.

John Deans apparently is the principal of Jonenco. The land was assembled by Jonenco from May to December, 1967, at a cost to him of \$3.3 million. So Mr. Deans paid \$3.3 million in 1967 and, a year later, the happy government, the beneficent government gave Mr. Deans' company \$6.5 million. It's interesting.

Mr. Eakins: Interesting.

Mr. Singer: At least, if there was a public purpose for this it could be understood, but there is no public purpose that's announced.

Until recently, OHC was projecting a population for this area of some 70,000. "Actual development has been slow due to the lack of demand, the lack of adequate access. Redhill pre-growth proposed to allow a second means of access." It was proposed but it was never, in fact, built. Ontario Housing Corporation has now built approximately 800 units. Ten years later, \$6.5 million later, we provided land for 600 units of housing. That's rather expensive housing, and rather hard to understand.

"Planning for 100 acres was carried out for Ontario Housing by a British firm which recommended stacked townhouses at 40 units to the acre." Notwithstanding the recommendations,—quite logically—"the government came to the conclusion this was uneconomical and undesirable in this community."

I could go on at great length—I'm catching your signal, Mr. Speaker, that I've just about run out of time—but these are only a few of the tragic horror stories that are obvious and available to us after much research. Surely it would make sense if there was a public record of government land acquisition, if the procedures were regularized and explained, and every time land was being disposed of the members of the Legislature and the people of Ontario could understand why and how it was done? I would hope all the members of the Legislature will support this eminently sensible resolution.

Hon. J. R. Smith: Having carefully looked at and studied the resolution proposed by the hon. member for Wilson Heights, I find

that, while there is much that is laudable in that resolution, to put into reality such a central register would be impractical and extremely expensive.

Mr. Singer: More expensive than clearing the land?

Hon. J. R. Smith: In examining the ramifications of such a proposal, I asked my staff to look into the man-hours necessary to set up such a register and to estimate the cost of such a project, both on a one time set-up basis and on an annual cost basis. Our findings are that the cost of such a programme would be prohibitive, particularly in this time of financial restraint.

Mr. Singer: That's a great defence. Yes sir.

Mr. Nixon: What a joker!

Hon. J. R. Smith: Let me give you some idea, Mr. Speaker, of the enormity of the task and the cost which would be involved if a central register were to be established. Firstly, in reading the resolution presented to us, I see the hon. member asks for the establishment of a register of all properties owned by the province of Ontario or by any of its boards or agencies. Notice that it says all property owned." I assume that means all easements, all rights of way and so on. I wonder if the hon. members have any idea of the number of properties that would involve?

Mr. Singer: It's nobody's business except the public's.

Hon. J. R. Smith: I might add in passing that I asked my staff, in preparing this data, to be conservative in their estimates. At times I believe they might even have been a trifle too conservative. Including easements, rights of way and other properties, we estimate that the province now owns in excess of 450,000 separate pieces of property. Ontario Hydro alone has more than 250,000 easements, for example.

To prepare the necessary data on each property, the data required in the resolution plus other information that would be necessary—such as vendor's name; location of property, including lot, concession and township; whether there have been any improvements on the property; whether there have been any liens on the property in question and so on—would, by conservative estimate, take four man-hours. I am sure the hon. members realize that in many instances, particularly in properties purchased 15, 20 or 50 years ago,

the research necessary to provide such data would take far more than that estimate of four man-hours per property.

Nevertheless, to get all the information required without beginning the process of recording it, would take 1.8 million man-hours. I leave it to the hon. members to estimate the number of man-years. At the average clerk four category salary—

Mr. Bullbrook: Wait; 1.8 million man-hours?

Hon. J. R. Smith: That's right—they can see that the cost of preparing such a register alone, we say could be nearly \$11 million, or \$10.8 million to be exact.

Mr. Singer: That's a man-hour per square foot of land that you own. That's very good.

Hon. J. R. Smith: Add to that all of the necessary start-up costs, such as developing a computer system to handle it—to set up and operate such a register manually would, of course, be logically out of the question—

Mr. Eakins: Who wrote this?

Mr. Singer: It's awful. It really is terrible.

Hon. J. R. Smith: —to input data into that system, to provide for overhead such as accommodation et cetera. In all, we estimate the cost of establishing such a central register would be approximately \$12 million. Are we really prepared to spend that sum without tangible benefits, benefits we are not now receiving?

I also asked my staff to prepare estimates of the cost of operating such a system once all the available data were in and the man-hours needed would only be for input of approximately 8,000 property transactions the province engages in annually. There, we estimate an annual budget of around \$300,000. But the purpose of having such a registry would only be the retrieval of data. If we were to prepare a report showing data of the province's property ownership, the cost of providing such a print-out would run to \$10,000 each and the result, my friends, hon. members, would be a stack of paper that could be 50 feet high. In other words, we could provide an awful lot of bedtime reading for those hon. members—

Mr. Singer: It could be. It might be 100 feet high.

Mr. Kerrio: That's what you are hiding behind now.

Mr. Deputy Speaker: Let's have some order, please.

Hon. J. R. Smith: The question we have to ask ourselves is, would the cost, mostly in terms of initial start-up, be worth it? Would we get information that we can't get now?

Mr. Eakins: We can't get it, because we've been asking for it.

Hon. J. R. Smith: Again, the idea contained in the hon. member's resolution is laudable, but practicality suggests that such a registry would actually give us little we cannot get now. Each ministry and board handling property transactions currently maintains its own registry of property, which includes information needed on an almost daily basis by the ministry involved and modified to the ministry's particular needs. These needs would still have to be met if a central register were set up. In other words, there would be a great deal of duplication of information involved if we had a central register.

I believe that it is much more practical to allow each concerned ministry and agency to continue maintaining its own individual record system but modified as necessary to include certain common information, open to retrieval by interested parties. Existing systems also would be modified to ensure that an accurate and adequate record of current and future transactions would be maintained.

Mr. Singer: As Al Lawrence said, "You have no right to know. You have no right to know."

Hon. Mr. J. R. Smith: I will be pursuing this idea in further discussions with my staff and cabinet colleagues. Since I have pointed out the majority of the costs involved in setting up a central register would be for initial research on past property transactions, it might seem reasonable on the surface to suggest that we start up the register as of, say, January 1, 1978, and forego the costly research. How can we have an accurate record of "all properties owned by the province or any of its boards or agencies" if we do not do such research? Would it make much sense to record the sale of a property on that central register when the register has no record of the province owning such a piece of land?

The resolution also sets out a number of questions regarding each property transaction which should be provided by such a register.

Mr. Singer: One wouldn't believe that the minister could make that speech.

Hon. J. R. Smith: Most of that information is already available from each ministry involved.

Mr. Singer: Already available?

Hon. J. R. Smith: Some of the research I was speaking of earlier would take a little time to provide, but it could be provided. For example, in item (c), the total acquisition price might take some time to find out if we were dealing with a property purchased a sizable number of years ago. Similarly, finding out the size of fees and commissions paid, and to whom, would also involve much time and effort for those transactions, if they were, say, 50 years ago.

Mr. Eakins: You are telling the public they have no right to know.

Hon. J. R. Smith: Nevertheless, as I have stated, this information can, in general, be obtained using the current system.

Mr. Singer: Obtained by whom?

Hon. J. R. Smith: It leads me, therefore, to ask again what information and what benefits would be acquired from establishing such a register? What would justify the enormous expense in time and effort involved?

My response has to be that there is no benefit that would lead us to tell the people of this province that we're going to spend some \$12 million of their money to give us information we already have.

Mr. Reid: You have got to be kidding—\$12 million! You people need new speech writers.

Mr. Singer: If you spend \$12 million, you're going to have paper that high.

Mr. Deputy Speaker: Order, please. The hon. member for Wilson Heights was allowed to proceed without interruption. Extend the same courtesy to the member for Hamilton Mountain.

Mr. Singer: It's very hard because it is such drivel, Mr. Speaker. I'll try.

Mr. Deputy Speaker: Please try.

Hon. Mr. Rhodes: We listened to the member's drivel.

Hon. J. R. Smith: In my view, to suggest that the register can be open to any interested person infringes upon the confidentiality of such a transaction and could, if misused, lead to abuses by land speculators. I suggest this aspect might be something better looked at by the commission on freedom of information.

Lastly, point 2 of the resolution asks that guidelines for acquisition be set up. Such guidelines are already set up.

Mr. Singer: Where?

Hon. J. R. Smith: My ministry has them and I know that other ministries and agencies have them. The guidelines are tailored for the particular job each ministry does and the particular land assembly needs that it has. These guidelines are in force and adhered to.

While on the surface there seems to be much to commend the resolution, I'm afraid that in the cold light of the reality of setting up the register with the resulting few, if any, benefits, I would recommend that it should be turned down.

Mr. Lawlor: The arguments we have just heard, Mr. Speaker, are not impressive in this particular case.

Mr. Singer: Right.

Mr. Lawlor: The raising of the bugaboo of all these horrendous costs that are being laid out in front of us, and the statement that that information is readily available in a dispersed form at every registry office and, as the minister himself said, internally to each ministry, and that it needs simply to bring it together and collate it and set up a register for the perusal of the public in this particular regard—these cannot be an overwhelming or supervening consideration in the particular context.

Mr. Singer: Right.

Mr. Lawlor: That doesn't mean I'm going to vote for your bloody resolution.

Mr. Bullbrook: You have been very obstinate lately.

Hon. Mr. Rhodes: Hang in there, Pat.

Mr. Lawlor: Property is acquired in four ways. First, by direct purchase: a government agency acting as a government agent approaches individuals and buys in the normal way by way of an offer to purchase. The second way is expropriation. The third way is by way of option agreement. The option agreement is broken into two parts: There may be either full disclosure on one side, or an anonymous buyer coming in to purchase under the option. For various reasons, this is the way that speculators largely operate. Then there is the fourth way, whereby an anonymous buyer directly approaches without the option concept operating.

In this legislation there is more than meets the eye, just beneath the surface. Do we approve of the anonymous operator? Do we approve of the government, in certain circum-

stances, albeit however narrow, approaching individuals under a pseudonym with the use of real estate agents and others to purchase property, largely, of course, in terms of land assembly? Do the members think that's a legitimate practice? No one questions that it is very often subject to abuse, as we've had many instances of—Pickering, among others.

Under the member for Wilson Heights' resolution, that, in my opinion, would be ruled out in the future. There would have to be full, fair and timely disclosure, and that's it.

[4:00]

Mr. Bullbrook: After the fact.

Mr. Singer: After the fact—after the fact. Read it again.

Mr. Lawlor: After the fact.

Mr. Singer: Right.

Hon. Mr. Rhodes: Read what you are saying.

Mr. Lawlor: The only real objection one can have to the legislation is the time limitation written in. The three months. Land assemblies can take two years, possibly three if they are fairly massive. And therefore the three-month acquisition would let the cat out of the bag with respect to the proposals of the government touching a certain geographical area. That could act detrimentally on the government.

In other words, there could be a loss of revenue. The property might very easily have been bought somewhat cheaper. The resolution can't be amended—it has to stand *holus bolus* as it appears before this House. It says three months—three months it must be. Therefore we have to make up our minds as to the detrimental effect of that over against the withholding of information which is vital to the public.

In line with the freedom of information statute of a week or two ago, or last week, the full disclosure principle commends itself—certainly to me, and I trust to my party—in the largest way. Therefore you have to come down on the side that whatever the private sector may do with respect to withholding information—hiding behind pseudonyms or whatever they do—the government must act fairly, openly, and with respect to its own citizens, and take the risks of that.

What is being said in this resolution, therefore, is that really only one way is available—well, two. The open approach to the in-

dividual vendor, or the expropriation route. There really isn't anything very wrong with that. While the Expropriation Act does not contain guidelines, court decisions down through the years and various recommendations coming out of the Ombudsman and other reports touching Pickering and other places, begin to give the nascent form of the norms whereby honest dealings will be guided and the government—

Certainly, by the time we're through with Pickering, that information can be fully extrapolated and available to anyone. The motion of the member for Wilson Heights forwards that particular cause and therefore it is in line with the current thinking on this matter. Having presented, as I see it, the various arguments on both sides touching this issue, I think on the whole, in all fairness, the government has to weight it in favour of the public, in favour of disclosure, in favour of open-handed and even dealing with the general public, even if some loss occurs to the public Treasury in this regard. It is far better to have a government with integrity and honesty in its dealings, rather than the weaseling around in the backyards of the nation, seeking to extract small favours and traducing its own people.

Mr. Nixon: I believe it's obvious that even if we exclude the Crown lands of northern Ontario, the government of Ontario is by far the largest landowner—land holder and owner—in this province. Probably it is true to say that the government stands to be called the greatest profiteer in the business of buying and selling land. If they proceed with the patchwork policy that the Minister of Housing, didn't announce but more or less referred to obliquely a few weeks ago—as he finds himself the holder, the minister responsible for these large acreages, which now seem to be redundant as far as any kind of useful programme or co-ordinated policy is concerned—he announces that he is going to sell these off, sometimes to the original holder of the property. But if those people are unavailable or don't want the land, then presumably they will be sold, in most instances, to the highest bidder.

It's interesting to look at the names chiselled in the marble of the halls of this building and learn that from the earliest times, even when Canada had only five or six members, there was always a commissioner of Crown lands. The problems were different in those days, of course, since much of the arable farm land was then held by the Crown. But as we see the acquisitions in

recent years, it's obvious that once again the government of the province is going into the business of holding land and developing it in a bigger and bigger way.

My colleague, whose motion we're debating, referred to the Ontario Land Corporation, which, I understand, holds just four parcels. The South Cayuga land, I submit to you, will never be put to any significant use by the government of the province. I don't know what they're going to do with it. They may resell it. They may just make it into a park and call it a John White memorial—I don't know. But that particular land in the former county of Haldimand is not going to be of significant governmental use, I would say, for the next half century.

Right close to it, as you're aware, Mr. Speaker, is another property also purchased by the government at about the same time, which the minister is trying to elevate into the status of a new city. I don't know what's going to happen in that regard, but at least there is some validity for the continuation of the holding of that land for some period of time.

But it concerns me very deeply that the policy of the government has been to allow the acquisition of these large properties without reference to any local planning authority; without reference to any official plan—even without reference to the other members of the cabinet over these years. The record of the purchase of these city sites that I've referred to—even the purchase of the Pickering property, which has been so much a matter of controversy in the last 18 months—is an indication that the government does need the constraints of the knowledge that they must report clearly and publicly on all of these acquisitions, the prices paid, and the purpose of the land.

We can, of course, talk about the fourth property that is owned by the Ontario Land Corporation down in Edwardsburgh. This, I would say, is more or less part of the inheritance that John White left us as taxpayers, when, it seems to me, those purchasers were made on his own judgement exclusively. He might have conferred with the Premier, but as Treasurer he then had the power to go forward without even the consent of his cabinet colleagues.

It has already been pointed out that as for being an area for industrial expansion and development, Edwardsburgh was simply a joke, and it still is. And yet the government still continues to hold these properties.

The Ministry of Housing holds properties dotted all across the province, and no doubt they have some kind of registry of those lands, although the Ministry of Housing and the Ontario Housing Corporation have been notoriously secretive as far as information pertaining to the lands is concerned. I know of 1,000 acres that was bought in Brantford township, five years ago now, I guess, for which there has been no known programme of development—no consultation with local planning authorities. It sits there as a beautiful green rolling piece of property, and the ministry has given no indication of what they wanted to do.

The 3,000 acres near Kitchener was bought under very strange circumstances by one of the minister's predecessors going back about 10 years, and at the time it was, certainly questioned seriously in this House, but there was never any legitimate answer given to the representatives of the people as to the reasons for purchase or the details of the purchase.

The Minister for Government Services indicated that Hydro is one of the larger land holders. That's true. It just bought a strip of property through my farm, for example, for a second high-tension power line. But I can't see any problem in listing those lands. The minister indicates that it would take a stack of information 20 feet high, or something like that, in order to list the location of the properties and all of the details asked. Well, I would suggest that it's incredible that the government is objecting, on the basis of the cost involved, to having a registry which would tell them what properties they do own. How can we ever have any co-ordinated approach by the government to the development of the province, if they don't even know what lands they hold? And they hold these lands in every township in every part of the province. The Ministry of Transportation and Communications is another example. They probably buy and sell more parcels, if not a large acreage, than any other agency of government. I believe it would be essential for any citizen simply to go to see what properties are held, what their values were, and what the purpose was in the first instance.

To go on with the list, the Ministry of Natural Resources holds title to a great area of parkland. The Treasurer himself, in one of his franker moments a few months ago, felt that we had committed too much of our moneys, our budget, to the purchase of these lands and indicated that there would

have to be some more orderly approach as far as that was concerned.

I feel that the registry that is proposed under the motion before us would at least give some indication to the various ministers who have these responsibilities that they do not act independently, that they do have to justify the purchase and all of the ancillary information associated with the purchase in a public document. In that way I believe that it would be a salutary pressure in the reduction of the kind of bad judgement which the taxpayers have had to pay for in recent years.

When I say bad judgement I say it advisedly, because there is no doubt that the 10,000 acres in Edwardsburgh is simply a waste of money. Very few miles from there the member for Carleton-Grenville (Mr. Irvine), when he was mayor of Prescott, undertook to develop an excellent industrial park associated with Prescott, right on the shores of the St. Lawrence River. And yet his cabinet colleagues come along and buy 10,000 acres for industrial purposes which cannot ever really be put into any significant use.

Surely we can cut down on the results of this bad judgement if the responsible minister knows that his judgement is going to be brought forward for public scrutiny in this way.

I do believe as well that it would reduce the injustice to land owners. Surely if the whole approach to the purchase of the property in Pickering had been on the basis of revealing the facts and figures as required under this resolution, we would not now have the confrontation between the Minister of Housing and the Ombudsman, which made it necessary to appoint a royal commission. The royal commission is there, but they don't seem to be doing anything.

Mr. Gaunt: There's some doubt whether they can.

Mr. Nixon: I see that the Ombudsman is very much concerned indeed at the lack of governmental action in this matter. We may find that that controversy which has brought into question the responsibilities vis-à-vis the Minister of Housing and the Ombudsman is going to flare up again.

This would have been unnecessary if there had been some indication of clear policy direction in the government when they decided to get into the Pickering business which has proven to be such a mess, such an expensive albatross hanging around the necks

of the government and therefore a cost on the taxpayer.

A waste of money? The hon. member who indicated that the government can't support this resolution has indicated they don't want to waste money by simply having a registry which would indicate to the government and others what these lands holdings are.

I submit to you, Mr. Speaker, that it would do away with the kinds of waste of money that must embarrass the ministry when they think about what has happened in the past. I surely hope that there is a commitment among the individuals in the ministry not to allow that kind of super arrogance to lead them into the sorts of purchase without adequate planning that has gone on in the past.

The government says information about specific pieces of land is always available if you ask for it. Mr. Speaker, I am sure you are aware that opposition spokesmen have asked for the details of the purchase of properties associated with Browndale. For many months, in fact years, the information has been promised, but it has never been forthcoming. The purchases are made with public funds and the information has not been adequately made available to those in the House who are concerned with this matter.

I would hope that such a registry would form one of the basic pieces of information which would lead the government to promulgate a plan for the province of Ontario. This too was associated with John White and I have been very critical of his lack of judgement in the acquisition of properties heretofore. But I do believe that the concept of a plan for Ontario, which is and has been Liberal policy for many years, is something that must be associated with this concept of the registry of land.

[4:15]

It was very interesting to me on the night of the budget, Tuesday night, when the Treasurer introduced former Treasurers in the gallery, when he introduced in the same breath, the Hon. James Allan and the Hon. John White. You may recall, Mr. Speaker, when there was some controversy over the acquisition of the South Cayuga property, reporters had phoned Jim Allan who indicated it was that bad judgement that had resulted in his defeat in the constituency of Haldiman-Norfolk. It might have been part of it but, of course, I am prepared to say that his defeat was as a result not only of the policies of the Liberal Party, but the—

Mr. Shore: But a good candidate.

Mr. Speaker: Order, please.

Mr. Nixon: —excellence of the candidate who was representing our party at that time. When this was reported to the former Treasurer, John White, he said: "Well, of course you can't expect anything else because isn't Jim Allan 81 years old?" or some gratuitous comment—

Mr. Bullbrook: About as low a blow as he could make.

Mr. Nixon: —such as that. Actually the people in those areas concerned had a chance to pass judgement on the decisions made by the former Treasurers who up until now have had the main responsibility for the acquisition of land. They found that judgement not only wanting, but seriously expensive and injurious to the best interests of the province of Ontario.

I do not agree in any way with the complaint put forward by the hon. member for Hamilton Mountain that this resolution would be inordinately expensive. Somebody wrote that speech for him. This is about the only hook they could hang their objections on and it is a very inadequate reason to oppose the motion. I would hope, however, that the motion will be supported by both opposition parties and, as it passes here, the government, being a responsible government, will accept the direction of the Legislature and establish the registry as is called for in the resolution.

Hon. Mr. Rhodes: First of all, I want to say I had hoped we might have the remarks this afternoon dealing primarily with the contents of the motion that has been introduced by the hon. member for Wilson Heights. Unfortunately, and I think unnecessarily, it has become some reason to charge off on a vicious attack on individuals who are no longer in the Legislature and to bring into play again many of the things that have been said by hon. members for the past number of years that I am familiar with. Certainly I have listened to many of the comments of the member for Wilson Heights with a great deal of interest in my estimates. I thought, being the author of this particular motion, he would in fact deal with the specifics of it.

I want to say immediately I find the motion not that difficult to recognize as having some merit. I have said in the past there are a number of things relating to the listing of properties and purchases for which we should be finding a better way to make that in-

formation available. However, I do think, with respect, it is worthy to note that much of the information the hon. member for Wilson Heights presented here in his remarks as to specific pieces of land, prices, who the owners were and from whom they were purchased was provided to the hon. member by Ontario Housing Corporation at his request.

I have tabled in this Legislature a great deal of information dealing with land parcels, their purchases, the dates of purchases, the price paid and the persons from whom they were purchased. So I can't buy the comments made by one of the hon. members that everything was notoriously secretive. I can say that we have in fact attempted to make that information available.

I see some value in the philosophy behind the motion that could result in a uniform collection of the information concerning land purchase and sales and an easy access to such information. Right now it is difficult for many people to obtain that. I think that's a goal that perhaps a large land buyer like the government of Ontario should be interested in. But I do believe that as the motion stands on the order paper, there are a number of major difficulties and, for that reason, I would like later in my remarks to present a suggestion that perhaps the hon. member and others might agree to discuss with me.

I'm not going to go into some of the points that were raised by my colleague, the Minister of Government Services. I do say, though, that we have to take into consideration just the amount of work that would be entailed in the actual reading of the hon. member's motion. As I read the motion—and I certainly bow to his interpretation of his own motion—it would appear that what he is asking government to do—all land purchasing ministries, agencies or boards thereof—to list in this registry centre all land transactions since the beginning of time as far as the province is concerned.

I think that the hon. member for Wilson Heights, being a lawyer and knowledgeable in these areas, would recognize that that would be a very, very difficult chore to complete. Albeit the member for Lakeshore has indicated all of this information is available in registry offices, but even at that, I think he would agree that a tremendous amount of work would have to be done to bring all of those transactions into play that have taken place over these many, many years.

I also would like the hon. member to consider that we can, I think, get this informa-

tion over a shorter term and still accomplish what I think his motion really wants to accomplish—that is the establishment of this sort of registry. I don't think we should say we will start it tomorrow or a week from now or six months from now. I think we should go back a reasonable length of time and produce that information.

I think I would certainly be in a position to examine a proposition that, rather than using a central registry, a standard purchase and sales recording format could be established and applied to the various ministries, their boards and agencies, and that a central access office should be established for use by interested parties. But in any system we set up, the guidelines, I think, would have to be established along the line of what the hon. member for Lakeshore referred to.

I am concerned that in the course of acquiring land for a large project, the government will acquire it a parcel at a time. Despite the criticism that I thought I noted in the hon. member for Lakeshore's comments, I think it is legitimate for government to not find itself in a bind and to be subject—because it's the government—to the pressures of land values suddenly taking tremendous jumps. We should be in a position to go out and purchase land through an agent, so that the actual purchaser remains unknown.

For example, if we were going to be acquiring land for a park site or a highway right of way that we may want to acquire over a period of two or three years, and we acquire it as the parcels become available, if we could do that, then I think we can continue to keep land at a reasonable price. I don't have to tell you gentlemen and ladies of this House that that may not be the case if you have to register each parcel purchased three months after it has been purchased. In view of that in a few moments I'd like to talk a little bit more.

As the government is a volume buyer and seller of land, it is possible in some instances that we may be dealing with real estate people, land acquisition agents, who may, in an effort to do a large volume of business, suggest that they would be prepared to work for a lower fee. I think we should be able to take advantage of that. However, I do have some concerns that bother me in that at the other end of the coin if we don't want to list the lower fees we could be accused—quite properly, I suppose—that we're

not listing the higher fees that might be paid. So, on first blush, I was not too keen about the listing of fees. If there's a standard fee, that's what should be charged. There should be no problem with putting that into the records—including, I might add, the legal fees which usually are extremely, horrendously high—beyond all reason.

Mr. Singer: I mentioned them. Don't shake your head at me. They are in my resolution.

Hon. Mr. Rhodes: On point (i) in the resolution, I would suggest that rather than having a registry open to any interested person we should decide here to give some thought to the degree of information that would be provided to various types of inquiries. I'm not too sure whether we would, in fact, want to allow any individual full access and my reasoning for that is this.

We have people in our society who are knowledgeable of land transactions. This is their lifestyle. This is how they make their living. They work in this environment day after day. They will be taking advantage of this and I think it would afford them an opportunity to get information, albeit available to anyone, but not that the average citizen really would take the time to find out. This would give such people, I think, an advantage of buying property where they may be aware of something happening and in this way getting an unfair advantage of the present property owners. I would like to see us deal with that and not necessarily have it open to any interested person; rather, we would decide that we could limit that to specific people, specific groups, or they would have to show cause that they really need that information; also to weed out the frivolous things which would be time-consuming and costly to the taxpayers.

Land for the Ministry of Housing is purchased, as you well know, by the Ministry of Government Services. If my colleague would agree, I would certainly be prepared to support a directive to the Management Board requesting that the matter be reviewed and appropriate recommendations—perhaps, along the lines I have suggested—be made to Management Board and to cabinet.

I realize that what I'm going to ask is not in order and that I may well be turned down, but I would ask the hon. members if they would give me their unanimous consent that I might propose an amendment to the hon. member's resolution and have an opportunity to discuss it with him.

Mr. Acting Speaker: Do the hon. members agree to give unanimous consent to the minister to place an amendment to the resolution?

Agreed.

Hon. Mr. Rhodes moved that the introductory words of the first sentence of the resolution be amended to read as follows: "The government should establish a system of registration for all properties purchased by the province of Ontario or by any of its boards or agencies on or after January 1, 1970, which system of registration shall set out the following:"

Hon. Mr. Rhodes further moved that sentence two of the resolution be amended by adding to it the following words: "... provided that when more than one parcel of land is being acquired for a project, the registration is not required until within three months after the date of the last acquisition."

Mr. Acting Speaker: May I point out to the hon. member that his time has expired?

Hon. Mr. Rhodes: And I'm expired as well. Thank you.

Mr. Bullbrook: Is that a commitment?

Mr. Acting Speaker: To save time the Chair will refrain from rereading the amendment; we can deal with the amendment and the resolution at the appropriate time.

Does the hon. member for Riverdale wish to speak to the original resolution and the amendment?

Mr. Renwick: With your agreement, Mr. Speaker, I would like to speak both to the resolution and to the resolution as amended, if I may.

I welcome the opportunity to take part in this debate for three or four reasons. One is because I very rarely have occasion to agree with my colleague, the member for Wilson Heights and, therefore, it's a kind of memorable occasion for me. I don't know whether he would consider it in that light or not.

Mr. Nixon: It makes him doubt his position.

Mr. Renwick: Secondly, because I do appreciate the complexity of the start-up provisions that are required in establishing any form of central registry, we have no hesitation in saying—or I have no hesitation in saying, for my part—that we certainly accept the proposed amendments indicated in the motion made by the Minister of Housing.

I also agree with his comment as to the availability of the information and the bona fide nature of its use. Again, I think that is a matter which, if this scheme were adopted in broad outline, could be accomplished. There is, for example in corporate law, a provision by which a person can get a list of the shareholders of a corporation by filing a necessary statutory declaration stating that it is for a bona fide and legitimate purpose and not merely curiosity or for some illegitimate purpose or for reasons which he claims entitle him to that information because he is affected, or interested by it.

In the working out of a scheme for establishing this kind of central registry, along the guidelines indicated by the member for Wilson Heights in his resolution, a number of those matters can be dealt with.

[4:30]

I certainly understand, because I extend to the Minister of Housing the utmost good faith, the difficulty it is to resurrect from the government files information about particular transactions. I have, standing in my name on the order paper, an inquiry of the ministry with respect to the consideration paid for the acquisition by Ontario Housing of a piece of property in 1972. The minister filed, a day or two ago, an interim answer saying the answer would be forthcoming in due course but it would take some time to get the information for me. So I don't underestimate the complexity of providing for a register.

Certainly, from my point of view, whether 1970 is the appropriate date or not, the complexities of establishing such a registry would determine what a reasonable date would be. January 1, 1970, appears to me to be a very reasonable kind of a date.

I think in addition, however, the ancient history of the government, if such a scheme were adopted, would indicate to me that it would be wise to have a central registry that showed the land owned by the government of Ontario without any of the details of the particular transactions by which it was acquired. Thus, in one central registry it would be possible, apart from Crown lands, to indicate quite clearly that these are all the lands owned by the government of the province of Ontario other than the exclusion of the lands, say, in northern Ontario which are governed by a different statute.

With those comments out of the way, I did want to take the opportunity of resurrecting a report of the Law Reform Commission dealing with that esoteric and arcane piece of legislation known as *The Mortmain and*

Charitable Uses Act, simply for the purpose of indicating there are certain analogies that can be drawn between the traditional prohibition against, for example charitable institutions of one kind of another owning land, either for their own use and occupation or for the purpose of investment, and the prohibition contained in that Act.

In this day and age it is not straining too much to say that government at all levels has become a significant holder of land in mortmain. It doesn't pay any taxes; it pays substitute amounts for it. There is no reason why, if there is a prohibition against charitable institutions holding land for investment purposes as distinct from for their actual use and occupation—and indeed, in charitable institution cases even for those purposes—that some form of criterion such as that should not apply equally well to the government.

For example, I would think that a central registry, to be of some use, should show that the land is being acquired for the actual use and occupation of the government. I think the register should disclose the purpose for which it's acquired—whether it's acquired for the purpose of implementing a policy of the government. I think consideration perhaps should be given at some point to having a statute of the government simply requiring that if the policy has not been implemented within a reasonable period of time—as is the case for corporations, a seven-year period—the government would be required to dispose of the property, so that the government is not involved in holding lands simply for the purpose of holding land when the purpose for which it was acquired originally has ceased to be a feasible objective for government to pursue. There are, of course, without me mentioning it, a number of current examples of that kind of problem.

I think it is extremely important that we understand that if done properly by this government, such a central register might very well provide the *pro forma* method by which the regional municipalities and the other municipalities throughout Ontario would also be required to set up a central registry as to the lands which they own. Strangely enough, *The Mortmain and Charitable Uses Act* seems to exempt municipal corporations in one way or another, by various methods of exemption, even though municipal corporations are covered under that particular statute.

I have only one further comment. If this is to go forward, then I think we have to have, as I have mentioned on a number of occasions, an adequate definition of boards and agencies of the government, because no one at

the present time can in fact determine what is a board or agency of the government.

For example, The Crown Agency Act, which is a very short, compendious statute of three sections, does provide specifically that certainly some kinds of universities are boards and agencies of the government. I think in our case, we would like to require public boards and agencies to maintain their own registers of land which they have acquired, whether they are universities or whether they are other public bodies.

I noticed, for example, in the report of the Law Reform Commission dealing with The Mortmain and Charitable Uses Act, that it says we should get rid of the ancient statute. But if government policy wants to have a monitoring and control of the ownership of land in the province of Ontario, either by aliens on the one hand or by other institutions of government, then it should set up a specific method by which that can be achieved.

It would be my hope that out of this resolution of the member for Wilson Heights there very well not only might be a register established by the unilateral act of the government to do it, but it might be possible to begin to think of defining in a statute the terms and conditions under which such a register would be established and requiring, in due course, that such registers be established for public corporations of one kind or another, be they universities, museums or other types of institutions. Certainly, it should be extended, in my view, to the municipal governments across the province of Ontario.

All of this means to me that a useful starting point would be for the government to work out a system and then have it extended much more broadly. For example, every now and then we have come through the assembly a provision exempting public bodies from the prohibition against their acquiring land for investment purposes. Why it went through, I don't know, but apparently the University of Western Ontario has such a statute, and I believe there are other educational institutions which can acquire land for investment purposes and not just for their actual use and occupation. This is the standard provision that is generally applied under various types of mortmain legislation.

For those reasons, I welcome the resolution and I certainly would support it as amended.

Mr. Acting Speaker: The hon. member for Sarnia. May I draw to his attention that the time for this debate will expire at approximately 4:40.

Hon. Mr. Norton: He is the only one who can do it.

Mr. Bullbrook: I've always been known and appreciated in this House for the brevity of my remarks, and I'm going to be muchly appreciated today.

I wanted, if I may, to agree with the Minister of Housing in his censure to us that we dealt not so much with the bill but with the background material. But I ask him to understand that after a decade on my part of attempting to try to find out information, I'm sure my colleague from Wilson Heights can be understood in wanting to point out some of the problems.

I don't mean to attack someone who is not here to defend himself, but I had to sit here during the budget of 1971 and watch the then Treasurer, girded in vainglory before the television lights, talking to us about his new city. When I find out he's wasted \$32 million of public funds, it's hard for us not to feel some degree of partisan venom in that context. So bear with us.

But the minister is quite right, we should deal mainly with the resolution. The first part is the register for the purpose of public information. The second and I think most important part of the resolution is the establishment of clear guidelines dictating the acquisition of lands for public purposes.

I want to record my total agreement and support, and the support of our party, for the amendment to the resolution, subject to one caveat on my part, if I may. I don't think 1970 goes back far enough. I think we should try to go back another decade if at all possible. Some of the land acquisitions that have concerned me and my colleagues in this party took place prior to 1970, and I think we should be entitled to that information. But that's a minor matter. As my colleague has pointed out, this is done by resolution and not by bill.

I direct myself to the Minister of Government Services. We attempted to be flexible here. I don't want to be offensive to him, but he tells us he can't personally accept this because of the expenditure of 1.8 million man-hours and \$12 million. I'm going to leave this assembly shortly and I'm going to practise law so I tell him to hire me to sue his speech writer. The land titles office in Toronto handles well over 100,000 land acquisition transfers at a cost of less than \$500,000, and we're not asking for all that type of information. As I say, what we want is an ability on the part of the public to know

why the government acquired land and how it acquired land.

I want to compliment my colleague from Wilson Heights, then I must sit down. I want to compliment him, and I want to compliment the official opposition and the government's flexibility in this respect. I think it's a move in the right direction. Minority government might be coming to an end but it shows that it works and it shows these new rules do work. I think the integrity of purpose and the sincerity of the Minister of Housing in putting forward the amendment and accepting the principle of the resolution will stand us all in good stead in the future and will inhibit us from decimating each other annually during his estimates.

I think it's really important. In the days we had to deal with Emerson Clow—again a man not here who can defend himself—I have been subjected to, I felt, the most offensive type of response from the board of directors of the Housing Corporation, with that attitude of, "Lookit, we know, and we know what's best." I want to see us get away from that. I want to see the government get away from it in the future. It doesn't have to exist. The opposition is entitled to know. I think this is the type of step that is in the right direction.

Mr. Acting Speaker: Perhaps the hon. member might find an appropriate place to conclude his remarks.

Mr. Bullbrook: I was just going to compliment the Minister of Housing once more on one other matter and I think it's appropriate I don't do that.

Mr. Acting Speaker: This concludes the debate on Mr. Singer's resolution. The disposition of it will be dealt with later this afternoon.

ELECTION FINANCES REFORM AMENDMENT ACT

Mr. Johnson moved second reading of Bill 10, An Act to amend The Election Finances Reform Act.

Mr. Johnson: I have sponsored this bill simply because I'm deeply concerned that every single riding in this province and every single voter have available information about provincial elections during the election period. We all know how important elections are to our parliamentary form of government. Elections give every voter the opportunity to review the government's performance, take

a look at the opposition's alternatives, meet his local candidates and decide just whom he wants running Queen's Park for the next four or five years.

In a province the size of ours, meeting the voters is no mean task. It is getting more and more difficult. If one can't speak with everyone personally, the only alternative is to speak to them through the press—send them one's message by the electronic media or the printed word. The printed word is what this bill is specifically concerned about.

The intent of The Election Finances Reform Act, in limiting political advertising to the 21 days preceding the day before the election, was to reduce overall spending. Since media advertising has now become the largest single expenditure in most election campaigns, this was a good decision and one I can applaud. However, in deciding upon the 21-day time period, that does not consider the plight of the weekly newspapers or, more importantly, the plight of the many people in this province who are served only by weekly papers. In fact, there are about 30 ridings in the province where that is the case. These are ridings not served by daily papers. The majority of weekly papers publish on Wednesday.

Through my discussions with various concerned groups, I have found it is virtually impossible to switch to another publishing date. As the papers are printed at central offset plants, rescheduling a large number of them all at one plant would be a horrendous task. It would almost be easier to switch the traditional voting day from Thursday to Friday. What this means is simply that, although weeklies would be able to publish their election issue, it would be devoid of any political advertising or party platforms for a full nine days before the election. One can see how ridiculous that would be and has been.

[4:45]

To me it doesn't seem fair that weekly newspapers should be placed at such a disadvantage to the dailies and the electronic media during election week, the crucial campaign period. The latter are able to carry advertising and serve their audience well simply by virtue of their frequency and their operations. At the same time, the weeklies are denied this right.

What this bill proposes is that the 21-day maximum time period for political advertising be extended to 22 days for any bona fide weekly newspaper. This 22-day period would end immediately before polling day. The

benefits of such a move are quite clear. The main ones, of course, relate to the information available to citizens in making reasoned choices when they vote. The other benefits are equally obvious: Weekly newspapers will gain thousands of advertising dollars if this bill is passed.

No incentive to small business is too small to be considered by this House. The weeklies employ 6,000 Ontario residents and represent a capital investment of \$85 million. Running a solvent newspaper is also no easy task, especially a community newspaper. These papers provide an invaluable service to the community they serve, linking the residents with the local governments, keeping them informed about local events and promoting a community spirit in their own inimitable way. There is nothing like them; I know, I have about a dozen in my own riding. Many of my colleagues on both the government and opposition sides of the House share the same experience. Perhaps that is why I was so emphatic when I first heard of the Ontario Weekly Newspapers Association's attempt to get The Election Finances Reform Act changed.

I know what problems the weeklies face during elections. Having served their communities well between elections, weeklies should be allowed to serve them well at election time. At present, not only are they unable to inform the public adequately but weeklies that really need the money lose a great deal of potential advertising revenue.

The weeklies' association has waged a strong campaign through its president, Bob Schreyer, and its executive director, William Taylor. As Mr. Schreyer said recently, "It is important that weekly publishers encourage their local MPPs to support this bill. This change will go a long way towards keeping people informed."

As a matter of fact, my colleague, the hon. member for Dufferin-Simcoe (Mr. McCague) and I met with Mr. Taylor and his delegation. These men had done their homework, and it didn't take them long to convince us that their cause was well worth fighting for.

Mr. Nixon: George had done his homework?

Mr. Johnson: As I said before, I've had personal experience during my own campaign and well understand the plight of the weekly papers.

Let me quote for a moment from Justice Hugo Black, writing in 1944. He said: "The widest possible dissemination of information

from diverse and antagonistic sources is essential to the welfare of the public." This is my belief, which I think is shared by members on all sides of the House. So far as it is possible, whether it be through party politics or this Act, we must ensure that diversity of choice is available in Ontario. The change I am recommending is non-partisan and must be so if it is to have any effect.

Mr. Samis: When's the election?

Mr. Moffatt: I like that "diversity of choice" part.

Mr. Johnson: The Election Finances Reform Act itself is an excellent piece of legislation. I am justifiable proud of that Act, an Act to which members of all three parties in this House contributed. We've been through one election with this Act and have seen just how effective it can be. We've also had an opportunity, through viewing it in practice, to see just where it can be improved. That is what I feel the change I propose will do—improve it.

In the next election, in 1979 or thereabouts—

Mr. Breithaupt: I like the "thereabouts" part.

Mr. Moffatt: Author! Author!

Hon. Mr. Norton: Don't be provocative.

Mr. Johnson: —we will want to run our campaign under the most equitable and efficient Act.

Mr. Good: You won't be here in 1979.

Mr. Johnson: We will also want to ensure that everyone is encouraged to know about and participate in the electoral process. Stop and think of the people in those 30 or so ridings who are served only by weekly papers—that 24 per cent of the Ontario population who don't subscribe to dailies. Will they be encouraged to vote if they don't hear from the candidates for nine days before voting day? What sort of campaign fever will they catch? A pretty cold one, if you ask me.

Stop for a moment and think of those community newspapers where the staff put their hearts and souls into their work. Is it right to deny them the same opportunities afforded to the larger dailies? I believe the weeklies will continue to give us the fair coverage that they always have in the past, whether this bill is passed or not. Objective journalism has generally been their style. But the individuals who've worked so hard for this change will be justifiably discouraged—

Mr. Ferrier: You're going to get headlines for this speech.

Mr. Johnson: —if this bill is not passed. Grass-roots input has its place in this legislative process. This bill is just one example of such grass-roots input.

It is the Legislature's job to look very carefully at bills like this. For my part, after having considered the matter at length, I think voting in favour of this bill is the only course to take. If this bill is passed, it will allow the weekly papers to participate effectively in the campaign during that crucial election week. It will allow my fellow members and me, and every other candidate for provincial office, to speak directly to all constituents in the province. It will also allow those people who depend upon their community paper for news an opportunity to review the candidates and issues before they cast their ballots.

Isn't this what our parliamentary form of government is all about? Isn't this the very basis of our democratic society: an open society and a free press, with every voter being given the chance, conscientiously and knowledgeably, to cast his ballot?

In closing, let me quote from a distinguished Canadian, unfortunately of the wrong political colour.

Mr. Moffatt: Jack Horner.

Mr. Johnson: In his committee's report on the mass media, Senator Keith Davey notes—

Mr. Ferrier: We thought it was Jack Horner.

Hon. Mr. Norton: Some authority.

Mr. Bain: Surely you could have got one of Tommy Douglas's quotes.

Mr. Speaker: Order, please. The interjections are not adding to the debate.

Mr. Johnson: Senator Davey notes that the more separate voices we have telling us what's going on, telling us how we're doing, telling us how we should be doing, the more effectively we can govern ourselves. There's no question but this bill encourages such a sentiment. I would like to express my strong support of this bill and this sentiment and request that my colleagues in this Legislature, on every side of the House, vote to support it.

Mr. Speaker: The hon. member for Durham East.

Mr. Moffatt: Thank you, Mr. Speaker, My colleague says he's the only one who applauded, so I'll thank him as well.

I'm pleased this afternoon to join in supporting the bill put forward by the member for Wellington-Dufferin-Peel. I think that in his opening remarks he has made a number of particularly cogent points. He has also opened the principle of the bill to the kind of discussion I hoped we would have, that is, that instead of talking about the narrow business of what day or which day one can publish that sort of thing, we should be talking about the right of the public to have access to information from sources such as the weekly newspapers.

The problem that has occurred has been that the publishing day was established and The Election Finances Reform Act has precluded the use of the weekly newspapers in that last week unless they were fortunate enough to have gone to the press on Monday. It makes for a very difficult situation.

In my own riding which is extensively covered by weekly newspapers upon which most of the residents depend for the major portion of their news, the problem in the last election was a particularly difficult one. The question of revenue aside, I think the question of information is the one which has been raised and the one with which this House should deal.

Hon. Mr. Norton: Do you run one in your constituency office too?

Mr. Moffatt: I urge members, even the hon. minister, to support the legislation. I think everybody in this House at some point during an election campaign decides the pros and cons as to whether he should publish a new weekly newspaper. It goes under many headings, but the most often used one, I guess, is something called The Leader, for obvious political reasons. In some few cases it was called The Liberal, but only in rather disastrous circumstances.

There seems to be a very important point here that I would like to emphasize. The right of information is one we could expand substantially. I urge, from conversations with the weeklies in my own riding, that one of the things we might well do, which doesn't even require legislation, is place all the weekly newspapers in this province automatically on the mailing list for Hansard. In talking to those people, I discover that they can get Hansard only if they send in a special request and plead with some person such as yourself, Mr. Speaker, to have Hansard sent to them. I would recommend, sir, with

all respect that that is one move you might well make in the spirit presented by the previous speaker that it does open up this whole question to more information and makes available to those small papers a source they don't normally use.

I realize some weekly newspapers do subscribe to Hansard and have prevailed upon you to have it sent them, and that is fine. But a great many others are not aware that it is available. The dailies all seem to be aware that it is available and use quotes from Hansard extensively. It seems to me in this province when the weekly newspaper is read cover to cover rather than just the headlines, because it stays around for an entire week, it might well be that we could urge the use of more extensive quotes from Hansard and some coverage of some of the things in this Legislature. Toronto is the legislative centre, but it is certainly not the demographic centre of the province of Ontario. The things that take place in this House are quite often missed by people who live at some distance and depend on a weekly newspaper.

This whole business of information is rather mystifying. I note that the member spoke of himself and one of his colleagues from the government party attending a meeting with the Ontario Weekly Newspapers Association. I would be interested in knowing when that meeting was because I have here the latest newsletter from the Ontario Weekly Newspapers Association. On page 12 in the column headed, "A few words from Bill Taylor," the following appears:

"The election expenses advertising Act was thoroughly discussed. Mr. Davis—I gather that is the Premier—"recognized the problem and admitted our industry was getting the short end of the stick." Along with a lot of other industries, I might add parenthetically.

Mr. Reid: He doesn't discriminate.

Mr. Moffatt: "The difficulty in amending the Act stems from not wanting to throw the complete Act open for other possible changes." Isn't that incredible? "It was strongly felt a private member's bill would have the best chance of success."

I sincerely hope this private member's bill is indeed a private member's bill put forward by the member for Wellington-Dufferin-Peel and not put forward by the government under the guise of being a private member's bill. I sincerely hope that is the case.

Mr. Shore: You are the only one who thinks that.

Hon. Mr. Norton: Of course it is.

Mr. Moffatt: I expect that that is the case.

Mr. Reid: It should be government policy, is what he is trying to say?

Mr. Speaker: Order, please. The hon. member for Durham East is the only one who has the floor. He has a limited time so give him all his time.

Hon. Mr. Kerr: He is being provocative.

[5:00]

Mr. Moffatt: I'd be interested in knowing just when the meeting that the member referred to took place because this particular meeting at which the Premier is supposed to have made these comments took place on February 24 of this year. I just wonder what we are being asked to support.

In the same column there is a longer reference as well made to this whole business of freedom of information. Oddly enough, the Ontario Weekly Newspapers Association agrees that the freedom to information—of access to information by the public and by weekly newspapers—is one principle it regards as being important and it would like to see some action.

I commend this little editorial page to the members opposite. They will certainly enjoy it because it makes some rather flattering remarks about certain of the cabinet ministers, as well, in addition to that one little part.

The point I want to make in this is that there obviously are a good number of changes which could be made in The Election Expenses Act. I suspect we would have been better off had we had a piece of legislation introduced in this session which could have cleared up some of the difficulties around that particular Act.

The member for Wellington-Dufferin-Peel has, with his private member's bill, pointed out one of the more obvious ones. It was obvious in the last election. I really can't understand what the reasoning was, other than that somebody wanted to make sure that the other media people didn't get some of the funds that they felt rightfully theirs directed out into the rural parts of the community. I just don't know how that whole thing happened, and I would be interested.

I also don't understand why the commission, in its recommendations, did not recommend this change as well. It seems to me to be an eminently sensible one and I can't understand why it wouldn't have recom-

mended it. It certainly was widely recommended across the province after the last election.

The problem of mailing is one that I hope is not raised. Some member may decide that if we allow the printing to take place the mailing may leave the document or the paper to be delivered on election day. If it had to be published on the regular printing day and it had to be put in type and people would have access to what was in that paper before election day, I don't see where that is going to cause a problem.

There are a number of things which arrive in households on election day, some requested and some unasked, that some of us might object to from time to time. I think the whole business of explaining to the public the platforms of all the parties and the candidates running, is a very important one—one that needs to be fostered and brought forward as quickly as we can. I urge all members to support the bill. I, for one, think it makes eminently good sense.

Mr. Riddell: I rise in support of Bill 10, Mr. Speaker, and I want to compliment the member for Wellington-Dufferin-Peel for recognizing the inequities of the current legislation and for introducing the amendment that will solve a serious communications problem facing the weekly press of Ontario and candidates in any future Ontario provincial election.

I am sure many legislative members tend to treat the concerns of the community newspapers rather lightly. But I for one can appreciate the high profile that these weekly papers have in a riding such as mine as there are no less than nine weeklies disseminating reliable news in all areas of the Huron-Middlesex riding.

A recent study of Ontario weekly newspaper coverage, conducted by the highly qualified company of Clyde McDonald showed that about one household in four or 24 per cent received a weekly newspaper regularly but no daily or a daily only occasionally. This means that about 260,000 households in Ontario are regular subscribers to one or more weekly newspapers almost exclusively. The study also shows that an estimated 664,000 of the households surveyed in Ontario receive a weekly newspaper regularly.

Might I just point out a rather interesting comparison of weekly and daily newspaper penetration throughout Ontario. Weekly newspaper coverage varies according to region but it ranges from a low of 35 per cent households to a high of 88 per cent. The mean for

Ontario is 64.4 per cent coverage or an estimated 691,300 households which regularly receive one or more weekly newspapers. Regular daily newspaper coverage ranges from a low of 42 per cent to a high of 80 per cent, for an average of 62 per cent in Ontario. An estimated 664,900 in Ontario receive one or more daily newspapers regularly.

Who would have thought that the penetration of weekly papers for the various sales areas under study was greater than for the daily newspapers? There has to be a reason for this, and I would say the acceptance of weekly papers by the communities throughout Ontario is an indication of the depth and reliability of the news contained in the weeklies. The weeklies are more concerned with individuals living in the community, and, in my estimation, the news is more objective than it is in the daily papers. Certainly, as far as I'm concerned, they do a better job of covering campaigns on a non-partisan basis than do the dailies.

Hon. Mr. Rhodes: Right on.

Mr. Riddell: Subscribing to both weeklies and dailies, I find there is a greater degree of mechanical competence displayed in the weekly papers—

Hon. Mr. Rhodes: Hear, hear. Attaboy, Jack. Sock it to them.

Mr. Riddell:—than there is in the daily papers. According to the study, an estimated 43 per cent of households in Ontario would have the opportunity to be exposed to advertising in daily newspapers if they were scheduled.

Hon. Mr. Rhodes: Did you hear that?

Mr. Riddell: And at the same time, if the Ontario weekly newspapers were scheduled, another 37 per cent of homes would be reached with the same potential, for a total of 80 per cent of homes throughout Ontario.

Mr. Shore: Keep it up, Jack.

Mr. Riddell: The fact of the matter is that 37 per cent of households would not have exposure to information about the campaign during the week of the election if the weekly papers were not permitted to advertise up to polling day.

Hon. Mr. Rhodes: Tell us about the Toronto Sun and the terrible columnists.

Mr. Riddell: I sure would like to; I could spend two or three hours on that.

Mr. Samis: Which columnist in particular?

Mr. Riddell: Considering all these aspects, there should definitely be no discrimination shown against the weeklies in such matters as election advertisements. The weekly press remains a vital link between the candidate and the voter, especially in the rural ridings and, increasingly, in many of the suburban ridings. Of the 125 ridings in Ontario, there are 30 in which no daily newspaper is published and—although this is not to argue that daily papers are not read in these ridings—it cannot be a foregone conclusion that these dailies reach all potential voters. Indeed, recently-completed readership studies prove otherwise.

In many of the ridings where dailies are published, these surveys prove that the riding weeklies are an important link between candidates and voters. The goal of every weekly is to produce a high-quality newspaper that will contribute to the social and economic well-being of our communities. The only way the weeklies can remain economically viable is to be able to compete favourably with the daily papers in reporting that which is current. I have found the weeklies give much more coverage of election campaigns than do the dailies, particularly in the area that I represent. But the present wording of The Election Finances Reform Act militates against the candidates and voters who want to present and read the various parties' financial election statements as close to polling day as possible.

During a campaign, there are few weeklies that face the problems that dailies do, with the large number of candidates to be covered. Because their candidates are fewer and their interest primarily local, weekly newspapers are usually generous with their news space and provide an excellent vehicle for candidates to debate local issues as well as express their opinions on broad provincial matters. It has been suggested that weeklies could overcome the current problem due to the existing legislation by publishing on Tuesdays. Unfortunately, since the vast majority of weeklies in Ontario are printed at central web offset plants, rescheduling of these plants would be virtually impossible and the weekly publisher's work week would be backed up into Sunday.

The only answer is a change of legislation. We have an amendment here in Bill 10 that should be easily supportable by all members of the House. Acknowledging that these private members' bills permit members to vote as they see fit, I think I can safely say my colleagues in the Liberal Party support the amendment that would allow political ad-

vertising in community newspapers up to polling day. I hope all members of the House will see merit in this change to the existing legislation.

Mr. McCague: I rise, Mr. Speaker, to second the private member's bill put forward by my friend and colleague, the member for Wellington-Dufferin-Peel. I suppose I should point out very early that the remarks of the member for Durham East were very incorrect—

Hon. Mr. Rhodes: Again.

Mr. McCague: —as he presumed that the bill was as a result of a meeting that the Ontario Weekly Newspapers Association had with the Premier. Memory should probably serve him in this particular case, for he would recall that last year, in the spring session, the hon. member introduced the same bill, except it was Bill 42 at that particular time. I think that should clear up that difficulty.

I'm sure the impetus for it did not come from the Premier's office, but probably from chats he'd had with the local newspapers in his area. I'm sure he's on excellent terms with all those newspapers.

Mr. Moffatt: I said I expected that.

Mr. McCague: Although this isn't the subject, I noticed from looking at some of them that he gets more than twice the coverage of the other two parties put together.

Mr. Breithaupt: There are a lot of weeklies in Brampton.

Mr. Nixon: Of course, if you count the government advertising as well, he gets even more than that—he gets about half the paper.

Mr. Yakabuski: It works out pretty well.

Mr. Deputy Speaker: The hon. member for Dufferin-Simcoe has the floor.

Mr. McCague: Thank you, Mr. Speaker, for keeping the member for Brant-Oxford-Norfolk under control.

It's true that I and the hon. member who proposed the bill did meet with Mr. Taylor of the association when we were drafting this bill. I entered the picture as a seconder for the member, but I did recognize the difficulty in the last election campaign. As we all know in this House, I think there were some people who moved their publishing date up one day to accommodate the printing of election advertising. I must also say they did it for all parties, but there were

also some who couldn't do it because of the problem of getting the paper printed. Many of the papers in my area especially, are printed in the same shop and there are 13 weeklies that serve the area and only one local daily that serves a very small portion of the area.

Somebody mentioned to me that this change would only accommodate the farming area, but I understand that only nine per cent of the regular subscribers of weekly papers are actually farming households; that leaves many whose occupation is other than farming. Mr. Taylor's figures showed that actually more people read only weeklies than people who read only dailies.

All it takes is an amendment to the Act, an amendment which would put everyone in this province on equal footing, whether they depend on a daily or a weekly to keep them informed. The election is serious business and, when voters go to the polls, they deserve to be as well informed about their decision as possible. There is no reason why some people should have campaign advertising literally cut off nine days before election day. The voters have the right to know about the latest party stands on the issues and about their local candidates, and the parties and candidates should have the right to tell them their opinions.

It is a worthwhile bill, it is a worthwhile amendment, and I sincerely hope that everyone here this afternoon will vote in favour.

[5:15]

Mr. Bain: I, too, rise in support of Bill 10, Mr. Speaker. I feel it's a fairly common-sense bill. I suppose most of us like to think that everything we do in this House is extremely momentous. But I think some of the less striking bills have just as much an affect on a segment of our population, and this bill is one of them.

As has been mentioned earlier, this bill will allow the weeklies that publish on Wednesday to carry advertisements placed by candidates during the next provincial election campaign. I was interested in the comments made by the speaker, the member for Wellington-Dufferin-Peel, the person who introduced the bill, in that he felt this bill would be in place for the 1979 or thereabouts election. I suppose we have all been interested in the thoughts of the Premier on this particular subject. I am happy to note that, if I want any information along that line, I know where to go to get it from now on.

The bill itself addresses a problem that all of us are aware of that represent rural ridings.

I am sure the Minister of Housing would like to represent a rural riding as well. Although he doesn't, he no doubt is sympathetic to the needs of the rural communities. I only wish his government was as sympathetic.

Hon. Mr. Rhodes: A government member introduced the bill.

Mr. Bain: Yes, but he's a government member from a rural community. The wave seems to be starting in the north. The rural communities in the north have been ignored for the longest period of time and that wave is sweeping south.

Mr. Shore: You guys over there don't know what day it is.

Hon. Mr. Rhodes: It hasn't improved any with you.

Mr. Bain: Mr. Speaker, if you would control the member for Sault Ste. Marie, I would be happy to get back to the discussion of the principle of the bill.

Mr. Deputy Speaker: I suggest you ignore the interjections.

Hon. Mr. Rhodes: On a point of order, Mr. Speaker, with the greatest of respect to you, I suggest I was not interfering with the hon. member's presentation until he addressed himself directly to me.

Mr. Hall: That's unusual.

Mr. Bain: Thank you, Mr. Speaker. The interjections of the hon. member in question are sometimes hard to ignore even though we might like to. Nevertheless, I am sure we would miss those interjections for no doubt at times they enliven the proceedings. The bill under discussion today addresses a section of the community in this province that sometimes does not receive the attention it deserves in this House. Urban needs are probably much more evident to the members of the House in a day-to-day sense in that the Legislature is located in Toronto. Our electronic and daily media seem to centre on the urban areas, especially Toronto, and so those problems of the urban communities are much more accentuated.

This particular bill addresses itself to the need of the weeklies in our rural communities. I think that the support that it would give to our rural weekly newspapers is very much deserved. Any members who live in rural communities have no doubt a paper in their own riding they have grown up with. In my own particular instance, the Temiskaming

Speaker has been a byword in our area since its founding at the turn of the century. The paper in question epitomizes many of the virtues that have been mentioned by members today of the rural weekly media. I am sure many members would agree that the weekly media tend to be somewhat more balanced in their perception but, needless to say, not always supportive of any particular party. I think they tend to have a wider range of coverage on various subjects and generally make a contribution that is very worthy of support.

As a member from a political party that never has had very much money to spend and no doubt will not have very much money to spend in the future, I don't envision myself being able to take out full-page ads in any weekly newspaper even though I might like to do so. We just can't afford that. But I would think, if any party would like to do so, and by all reports the Conservatives have a lot of money to spend, then if for no other reason, I am in favour of this bill so that the Temiskaming Speaker and the other weeklies of this province might get more of those Tories bucks at election time. If they would like to take out ads in the local newspaper, I urge them to do so. There would be a small commission if you wished to place those ads through myself.

The bill, I think, as I said at the beginning, is a very straightforward bill and certainly worthy of support from all members of the House. The idea of a link between the candidates and the voter I think is a real one. In many cases people do not receive daily newspapers in a number of rural ridings; and I think that's by choice, because in many cases even where there are dailies these dailies are much more focused in the larger communities, whereas the weeklies tend to cover a larger number of communities. In the case of the Temiskaming Speaker, it covers a number of rural communities and, therefore, each community feels it gets reasonably balanced coverage.

The bill, as I've said, is worthy of support; and hopefully it will allow weeklies to get more of the money that is spent at election time in advertising. This, I think, would benefit people who work at these papers and live in rural communities.

Mr. Cunningham: Mr. Speaker, I want to support this bill through a brief comment of my own. I commend the member for Wellington-Dufferin-Peel in his creation of this bill, and I think it's one that possibly should have seen the light of day earlier than this. I have

nothing but praise for him in his consideration of it.

Weekly papers are very important, I suppose, not only to all of us in the Legislature as politicians, but they're also an important part of life in smaller towns. I know in my community I have a number of weekly papers which not only manage to keep the constituents informed of the activities here in the Legislature and town council and what's going on in Ottawa, but often too they serve them through reporting of sports and news events and the promoting of community affairs. I think it's very important that we do anything we can to further these small weekly newspapers.

To that end I think it would be appropriate, possibly, if the government considered supporting them by way of their advertising programmes as extensively as they do through the daily newspapers. That, I think would be a wonderful way of helping those newspapers continue because so many of them operate on a marginal basis.

This particular piece of legislation is a good idea insofar as it will put the weekly newspapers on equal footing with the dailies. That's something that I look forward to in this next campaign because I must tell you—

Interjection.

Mr. Cunningham: I'm sorry? Who woke you up?

Mr. Shore: I thought I woke you up.

Mr. Cunningham: I must tell you, Mr. Speaker, I rely on these newspapers as a vehicle to communicate my points of view to my community, and to date they have been very helpful to me. I must admit I have somewhat of a conflict of interest here in that I don't think I'll have the extent of money that my Conservative opposition may have. That has been the traditional case in my area, but, nevertheless, as best as possible, we will try to convey our message to them.

I would also at this time like to offer a few comments on The Election Expenses Act, and the possibility, Mr. Speaker, of entertaining, as long as this Legislature exists, some other changes to that particular Act. There are a number of areas I think we would do well to consider. I know in my particular area, just driving through the city of Hamilton, I see these great big, red, white and blue billboards saying "The Leader", and then right underneath it it has the name of a Conservative candidate, a car dealer in the area; and right underneath that in the small-

est words possible, George Kerr, and then the word "Chevrolet." I want to tell you that I'm not advertising for Chevrolet, and I don't think through those billboards the individual paying for them is either. That's an area where I must say to you, with the greatest respect, I see some serious abuse.

Mr. Shore: Maybe you'll get one with an Oldsmobile on it.

An hon. member: You missed the point again, Marvin.

Mr. Cunningham: The point raised by the hon. member for Durham East (Mr. Moffatt) concerning freedom of information was a very valid one, and one that should not go without comment because I think it's very important. Only last week, in this new exercise of private members' bills, we had the opportunity to support such a bill, and I must say I was distressed that the members of the government party would not at least allow it to get to a vote. This, I think, must be equally disturbing to people who operate small weekly newspapers, because they rely on that kind of information to continue to put their newspapers out.

I would conclude by saying that the hon. member for Wellington-Dufferin-Peel has at least served his small weekly newspapers well by putting up this piece of legislation, which I support.

Mr. Speaker: The hon. member for Renfrew South.

Mr. Yakabuski: This is a very important amendment to The Election Finances Act; after already having a half-dozen or more speakers on the subject, it's going to be difficult not to be repetitious. But, as did the others, I do want to commend the member for Wellington-Dufferin-Peel for sponsoring this amendment and introducing it into the House. I think it's a very important amendment to The Election Finances Act, for the many reasons already outlined by the various speakers. We realize that the dailies have the Monday and the Tuesday of election week—since by statute we must vote on Thursday—to solicit and print ads on behalf of various candidates and parties. Today, that opportunity is not available to the average weekly in the province.

Some years ago, the weekly newspapers of this province were not as viable, they were not as "with it" as they are today. They, too, have had to adjust with changing business methods and changing times. We all know that most of them have their papers

printed by the offset process; these plants are located in central areas and print six, eight, 10 or more papers for a given region. Therefore, in an election week, it would be difficult for them to print on a Monday or Tuesday. And in all fairness, of course, they too should have a piece of the so-called campaign-funds pie. They, too, reach a good many readers not touched by the dailies or the other media in the province. I'm told that some 24 per cent of people in the province rely on weekly newspapers for their information. Weekly newspapers are read not only in rural Ontario, they are also read by many in the urban centres. I don't think there is hardly a person who has left the rural parts of the province and moved to other areas who does not subscribe to a weekly from his or her home area.

Mr. Breithaupt: They are read very carefully at Queen's Park.

Mr. Yakabuski: Yes, that I must say, especially by the members. I think the members know what a vital link the weekly newspaper is between the government here at Queen's Park and the constituency in whatever part of the province it might be. The weekly newspaper industry, it has been said, is a viable one today, with an investment of some \$85 million and 6,000 or more employees. If it were for no other reason alone, we should be doing all possible to make and keep it an ongoing, viable industry.

I mentioned it was difficult not to be repetitious, but I did want to go on record as supporting this amendment and supporting it wholeheartedly. It would be discrimination to eliminate that portion of our press from participating in the last week of a campaign or to deny this facility to the candidates who wish to use this form of media at that time. So, again, I want to commend the member for Wellington-Dufferin-Peel for introducing the legislation and to go on record as wholeheartedly supporting it.

[5:30]

Mr. Ruston: I just want to say, Mr. Speaker, that I'm wholeheartedly in favour of this amendment to The Election Finances Reform Act. Having been in a considerably rural area for a number of years, I find that weekly papers serve a great need in the community. There are many areas in the province of Ontario where the weekly papers are the only kind of paper that people have access to. There are a surprising number of

areas—I think the member for Kent-Elgin (Mr. Spence), who I see has come in, will have a few remarks to make about the number of ridings that do not have daily papers and are served by the weeklies. They certainly do serve a great need in the community, especially in the large rural areas.

I just want to reiterate that the change proposed in this bill should be allowed because, considering the time they go to press, by bringing their paper out one day early they would have access to this business. Certainly we use the weekly papers in our campaigns and so forth; in some areas it seems as though the weekly is the only paper you can afford to use, unless you have a co-operative advertising with a number of other members. Some of the dailies are quite large and the price is rather prohibitive, especially for some of us who run on a pretty small campaign budget. In the last election I think mine was one of the smallest in Ontario.

Mr. Nixon: You don't need any money to get re-elected.

Mr. Ruston: Maybe we can thank the weeklies for serving that need. Mr. Speaker, I want to say that I am in favour of Bill 10.

Mr. Spence: I must say I'm pleased to support the amendment in Bill 10 which would permit the weekly papers to advertise right up to election day. In my own riding I have nine weekly papers. I have been through a few elections, and I know that it has meant a great deal to me in many of my elections. I must say it has given the people in my community an opportunity to look at all the candidates during the last week of an election. I say that's a most effective time, because that's when the voters decide who they're going to support and whether they're satisfied with the looks of the candidates.

Mr. Nixon: If they do it on looks, no wonder you win every time.

Mr. Spence: I've had trouble with that. It would be better if I didn't have any advertising, because my picture didn't show up too well beside my opponent's.

Mr. Ruston: You still win, though, don't you?

Mr. Nixon: You look honest, Jack.

Mr. Spence: As I say, the weekly papers have proved to be a great benefit to the people of the rural areas. I understand that 30 of our ridings in the province of Ontario

have no daily papers; and if we deprive the weekly papers in those areas from carrying advertising before election day, it would be a blow to those who are candidates in an election.

I don't know whether we are going to have an election or not. There seem to be rumors going around these corridors—

Hon. Mr. Taylor: Tell us, Jack. Let us in on the secret.

Hon. B. Stephenson: When is it?

Mr. Kerrio: In 1979.

Mr. Spence: We hear from the government members that it won't be until next year—

Mr. Nixon: Oh, they are pretty timid.

Mr. Spence: —so I'll just have to go around again and ask the same question to see if what they are telling me is actually the truth. But in a few days we'll actually know.

Mr. Nixon: There is a first for everything.

Mr. Spence: I support this bill. I think it is really worthwhile, because I am glad to give the weekly papers an opportunity to advertise right up to election night.

Hon. Mr. Kerr: You get all those Grit editorials, too.

Mr. Mancini: I too am very pleased to be able to rise and give support to Bill 10. I feel it's a very important bill which does deserve support from all the members of the Legislature. I would just like to mention that we have five weekly papers in the riding of Essex South: the Amherstburg Echo, the Harrow News, the Kingsville Reporter, the Leamington Post and the Wheatley Journal. I believe these weekly papers certainly do a lot for the people in my riding as far as being able to bring them good, fair and precise news.

One thing I would like to mention, and I'm sure all of us know this, is that usually a daily paper is not kept any longer than a day or at the most probably two days, but a weekly paper stays in the home all week. A person can later appreciate some of the things he's missed on first going over the paper.

I feel that this bill is an assistance to small business, which I firmly support. The weekly papers do not have the opportunities the daily papers have in being able to make money off the provincial election campaigns. It was very unfair the way it was before, so I'm

very pleased to rise here in the Legislature and give support to Bill 10.

Mr. Speaker: The hon. member for Scarborough Centre.

Mr. Breithaupt: Dispute.

Mr. Drea: I want to pay a particular tribute this afternoon to my colleague, the hon. member for Wellington-Dufferin-Peel. This is not his first venture in this particular area. If my recollection is correct, in the third session he introduced a private bill under the old rules. I believe it was Bill 42. Under the old rules, of course, it was for dialogue only because it couldn't be passed.

His bill deals with a particular area that everyone agrees should be corrected. There are notations from a commission that the matter should have been resolved some time ago. Probably the only reason this private bill is needed today is that in the great haste and the great urgency for the original Election Finances Reform Act, it was probably overlooked.

Mr. Nixon: Pretty slow, those Tories.

Mr. Drea: It is not fair to penalize a very significant portion of the print media of this province simply because of their publication date and the fact that they are not in control, as are the major dailies, of their distribution facilities, and to preclude them, not from the finances or from the profits to be gained from election advertising, but from being able to go into the homes they normally service with election coverage. Hopefully, the bill will not have to go to a standing committee, but will go to a committee of the whole so it can be done expeditiously and so that the particular benefits go to the weekly papers before they have to wait too long—

An hon. member: Third reading today.

Mr. Drea: I'd go for third reading today. I think it does achieve a sense of fairness. I will say to you, Mr. Speaker, even though I come from a very cosmopolitan and a very heavily populated suburban area, my two weekly newspapers, the Scarborough News and the Scarborough Mirror, certainly are the communication vehicles in my riding, notwithstanding the fact that the three Toronto dailies are also there.

I think it has been very unfortunate in the past that the particular unfairness, which was an oversight of the Legislature, hasn't been corrected.

But once again, Mr. Speaker, I want to commend my colleague for his diligence, for the fact that he has used the new rules of

the House, not for personal advantage or not for the distinct benefit of his constituency but in a manner in which the public of this province will understand the enormous changes that have taken place in this Legislature and the fact that we are now in a position to remedy simple wrongs in a very expeditious manner.

Mr. Speaker: Does any other hon. members wish to address themselves to this item? If not, the necessary questions will be placed at 5:50 p.m. In the meantime I shall declare a brief recess until that time. I warn the hon. members there will not be a bell; I will be in here at 5:50 and those who wish to express an opinion should be here at the same time.

Mr. Nixon: By the way, there are no objections are there?

Mr. Speaker: There may not be any objections at this time, but I don't know whether you could take this as a precedent or not. It was pretty strongly agreed that we should not—there don't appear to be objections. Do I detect the feeling of the House?

Mr. Moffatt: Let the Minister of Labour (B. Stephenson) talk.

Mr. Speaker: Do we have the unanimous consent of those members here to proceed with the questions?

Mr. Deans: If I may, I certainly wouldn't want to be one to withhold unanimous consent on a matter such as this, but the difficulty with it, as always, would be that at some other less appropriate time the same procedure could well be followed. I think if I were the government, forgive me, I wouldn't want to have unanimous consent given since the House leaders and others dealt with the matter at some length and decided in the best interests of everyone that the vote should be taken at 5:50.

I realize it is an inconvenience. We did discuss the need for an adjournment or a brief recess, and decided that was the appropriate time. I wouldn't want to be party to breaking an understanding that I have with the government House leader.

Mr. Breithaupt: I would agree, Mr. Speaker, that it would be practical, I think, to have that recess. It had been agreed that we would, in order to accommodate members who might be in committee or to accommodate others who were out of the House otherwise, deal with the matters at that time. I think that would be the best way to handle it.

Mr. Speaker: The Speaker agrees that this was the understanding and agreement and it should be followed rather than start a procedure which may get us into difficulty later. So I will declare a brief recess until 5:50 p.m.

The House recessed for five minutes.

[5:50]

On resumption.

Mr. Speaker: We will deal with these two items in the usual way then. First of all, Mr. Singer had moved a resolution standing in his name and Mr. Rhodes had moved an amendment thereto.

So, the first question is, shall there be a vote on this motion? Any members opposed to a vote must now rise.

Twenty members having not risen, the vote will be stacked.

Then, Mr. Johnson had moved second reading of Bill—

Mr. Nixon: Bill 10.

Mr. Speaker: Bill 10, was it?

Shall there be a vote on this motion? Any members opposed to a vote must now rise.

Twenty members having not risen, the vote will be stacked.

Mr. Singer: Well done.

Mr. Speaker: We'll have the votes then.

Voting first on Mr. Rhodes' amendment to Mr. Singer's motion. Shall Mr. Rhodes' amendment carry?

Motion agreed to.

Resolution as amended concurred in.

[Applause]

Mr. Speaker: Mr. Johnson had moved second reading of Bill 10. Shall this carry?

Motion agreed to.

Ordered for third reading.

Mr. Deans: Mr. Speaker, we would have no objection at all to giving unanimous consent for third reading now.

Hon. Mr. Timbrell: We just did.

Mr. Speaker: No.

Mr. Deans: No, we didn't. You should listen and learn the rules, Dennis.

THIRD READING

The following bill was given third reading on motion:

Bill 10, An Act to amend The Election Finances Reform Act.

Hon. Mr. Welch: Mr. Speaker, this is a very momentous day—April 21, 1977, we'll remember this.

Interjections.

An hon. member: Minority government works.

An hon. member: This week the weeklies; next week the dailies.

Hon. Mr. Rhodes: Don't book your advertising.

Hon. Mr. Welch: This is without precedent.

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT

(continued)

Resumption of the adjourned debate on the motion for second reading of Bill 28, An Act to amend The Residential Premises Rent Review Act, 1975, second session.

Mr. Nixon: It is almost 6 of the clock.

Mr. Speaker: Does the hon. member for Durham East (Mr. Moffatt) have the floor? Yes? No.

Mr. Singer: It is 6 o'clock.

Mr. Speaker: There seems to be a feeling that perhaps we might recognize the clock. Well, okay, it being almost 6 o'clock, I do now leave the chair and will resume at 8.

The House recessed at 5:52 p.m.

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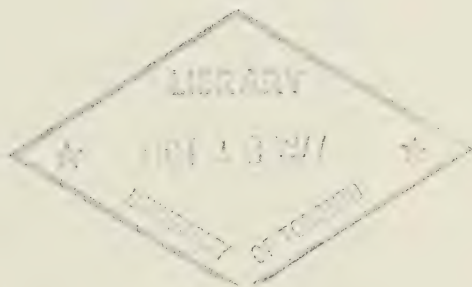
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Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 21, 1977

The House resumed at 8:02 p.m.

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT

(continued)

Resumption of the adjourned debate on the motion for second reading of Bill 28, An Act to amend The Residential Premises Rent Review Act, 1975.

Mr. Speaker: When we were last on this item of business, I believe the hon. member for Durham East had the floor. He may continue his remarks.

Mr. Moffatt: If you recall, Mr. Speaker, my remarks the other day were of a very short nature when I adjourned the debate, so I will be brief this evening. In putting a kind of end to the discussion of second reading of this bill, I simply want to put together a couple of things that I think need to be pointed out; I think there are three all told.

The first point I would like to draw to the minister's attention is that while he has been reluctant in putting forth the Act and the amending processes, one of the reasons he gives for tying the thing up so neatly is that there is now some understanding of the whole process and we wouldn't want to tinker with the eight per cent rule because people finally understand what is going on and a little bit of resistance has been taken away.

I would like to say to the minister that one of the reasons we've had such great resistance to the way this whole process has worked is the minister himself, with his remarks on the unworkableness and the futility of intervening in this sector; it's really counter to any of his theories and his philosophy. That's been one of the problems that the legislation has faced. It has been made almost unworkable from time to time because of statements by the minister saying: "See, I told you it won't work," "I'm sure this is going to be difficult" and so on. And "I don't want it. I want another ministry" or "I want out. I'll resign." There have been a number of things which have not lent credibility to the entire process.

I am pleased to see that at least he now feels he is lending something other than credibility to the process, because he has put forward these amendments and obviously he is now a true believer. I hope he continues and that his positive aspect of making the programme work will be the one emphasized during the coming months. I'm quite sure, if the rumours we hear from the press gallery are true, that he will be emphasizing all of those positive aspects in certain places. In other places he will be emphasizing those aspects less and others more.

One of the other things I wanted to touch on was the statement by the member for Perth (Mr. Edighoffer) in his leadoff remarks for the Liberal Party the other day, in which he said, quite straightforwardly, that he would be introducing an amendment in committee that would tie the legislation to the AIB — because that's the stated philosophy of this government, that the AIB is supreme and should run things. He felt that it was, of course, quite safe to tie in that amendment, but in his remarks referring to the AIB he said—and I would like to quote two lines: "I believe 10 per cent for October 1975 to October 1976; eight per cent for October 1976 to October 1977." And then he says: "I will be proposing an amendment that would truly relate this bill to the AIB guidelines and would reduce the rate of increase to six per cent in October 1977 or at such times as the AIB guidelines are reduced."

I would like to remind the member that the federal counterpart of this particular group brought in that legislation in a famous Thanksgiving Day message. If the member would care to read what that legislation says, it says that it started out at eight per cent. We are now at six per cent and in October 1977 we will be at the four per cent level plus two per cent for productivity. I would like to point out, too—and I am sure this will elicit the support of the member for Perth for the amendment that we will be putting forward, as we have talked about it for some time and have argued the point—that this particular programme should be tied to six per cent; that makes far more sense when you compare it to the kinds of settlements that have been handed out across the prov-

ince. It's important, I think, to point out in connection with that six per cent amendment that we are bringing in, that we are pleased to invite the member for Perth to join us. I can't explain how he got mixed up in the federal statistics but I am sure he fully intended to support our amendment. I am sure that's what he meant.

Hon. Mr. Handleman: Chickening out. You are going to support him.

Mr. Moffatt: I am sure, too, that if the member takes time and if the minister is interested in reading the Hansard which I have before me, he will find that—

Mr. Nixon: Are you making another flip-flop?

Hon. Mr. Handleman: They are going to support you.

Mr. Nixon: Certainly they are.

Mr. Speaker: Order, please. The hon. minister does not have the floor at this point.

Mr. Moffatt: I am simply pointing this out to the member for Perth so that it will be clear that he was talking about six per cent, not six plus two, which is the old formula of eight per cent that the minister would like us to go with. I want to make it very clear that we are talking about six per cent this year. We are not talking about anything else. If we wait until October, it is four plus two. If we do it now on this basis, it is six plus two—and that gets right back into the minister's ballpark.

Mr. Edighoffer: You are not going to vote the same way as the member for Cornwall (Mr. Samis)?

Mr. Moffatt: The member for Cornwall is very clear on this. The whole party is very clear on it. We are inviting the member for Perth to support us.

Mr. Nixon: I thought he was very clear.

Mr. Moffatt: I can't apologize for their mistake in mathematics or for their lack of understanding as to how the programme works.

Mr. Reid: We can't apologize for the electorate of your riding either.

Mr. Moffatt: I will let them make their own apologies. I am sure they will have plenty of time to do that.

Mr. Edighoffer: What was the number of the federal bill?

Mr. Moffatt: I would like to say in conclusion that the entire programme can be made to work if the minister will stop making statements like the ones he made in estimates last year and others since then; and if only he and his government will lend themselves to working in the interests of consumers rather than constantly trying to balance some kind of equation which says, "Well, at this point we are talking to the landlord, and we will talk to them as though we are in favour of that; and now we are going to talk to the tenants because we would like them to know that we support them as well." The government can't have it both ways.

There is no difficulty with this legislation. The cost increases can be passed through. The landlords now understand that. I invite the minister and I invite the government to stand up and be clear about this—that they are putting forward consumer legislation. I invite them also to make sure that when we get to the point where they want to cut it off, we forget about that and we tie the whole thing to the availability of rental accommodation. To do otherwise is unfair and it is unwarranted. We don't need it.

Mr. Givens: I'm trying to digest what the member for Durham East said. I thought when I was going to start we had some allies to the suggestion of the member for Perth that we were going to have an amendment we were going to unite on and we were going to get some unanimity in this Legislature. But I guess from what he said we're not going to have allies and we're going to be disunited again on this particular amendment.

Mr. Moffatt: Are you going to vote with the government on it?

Mr. Mancini: How is your leadership campaign?

Mr. Givens: I'm going to refrain from indulging in flagellation of the minister and heaping calumny on his broad shoulders—

Mr. Moffatt: Heap away.

Mr. Givens: —because preceding speakers have abused him. He had threatened to resign if the government brought in legislation extending rent controls and he said he couldn't live with them. I like the prospect of a sinner who repents and I think it's good that he should bow to the inevitable and go along with it. I want to tell this minister, although I may not agree with some of his ideas, I admire him for his intelligence. I think he's a very intelligent man. He real-

izes he had to do what he had to do, and this is why he's doing it.

Mr. Eakins: However.

Mr. Givens: I find it very difficult to understand why the minister and some of his colleagues are so lackadaisical and so cavalier in their attitude with respect to this legislation, that even though they've brought this in, they've had to be dragged, kicking and screaming, into the arena for the purpose of extending this legislation. Their attitude is one of reluctance. The legislation, their discussion and everything that they do about this are shot through with the kind of reluctance—

Mr. Shore: You may have to burn this speech afterwards.

Mr. Givens: —that underlines everything in this particular bill. I don't understand that, because generally the members on the government side are pretty good politicians.

Mr. Eakins: Having said that.

Mr. Givens: But I think they have to understand that 50 per cent of the electorate today is made up of tenants and that this is a very serious problem, particularly in Metropolitan Toronto. It costs the government. Probably the reason the government came back in a minority capacity in this Legislature at the last election was its attitude towards rent control. Toronto was always known as Tory Toronto. In the last election is cost the government 17 seats. It lost 17 seats because a critical factor in the election of 17 ridings in Metropolitan Toronto was rent control. I give the government this advice freely.

I don't care when the election is held, whether it's held this spring or next fall, but there's certainly going to be an election before December 1978. If the government wishes to recoup any of these 17 seats in Metropolitan Toronto, it is going to have to change its attitude with respect to rent control. Probably the same thing applies in other urban centres, like Ottawa, Windsor, Kitchener, London and other big metropolitan areas and other big cities in Ontario.

This has cost the government. Surely as good politicians they must realize that and should shuck off this reluctance that makes them so embittered about this situation. As far as I'm concerned, I'm a free enterpriser too. Some members who have got to know me personally, like my friend the Solicitor General (Mr. MacBeth)—

Mr. Shore: You like everything for free.

Hon. Mr. MacBeth: You are an enterpriser.

Mr. Givens: —whom I've only known for about 43 years, know that I'm a free enterpriser. We don't want to interfere with the market forces. I don't want to interfere with the market forces any more than my friend, the Solicitor General, or the minister in charge of this legislation.

But I want to tell you, Mr. Speaker, in my riding of Armourdale I've got a lot of tenants. When I sit by the phone and listen to some of the complaints of anguish that I get from some of the tenants—and they're real and they're genuine and they are downright heartbreaking—it isn't a matter of interfering with the market forces, it's a matter of trying to assist people who are really being ground into the ground. The government has got to come to their assistance and heed their plea.

Mr. Hodgson: What do you think we're doing?

[8:15]

Mr. Givens: I would like to see the business of the market forces work. I don't want to see this bureaucracy built up any more than the government does, but the fact of the matter is that the legislation is necessary.

The minister has put an arbitrary date on this of December, 1978. I think you truly believe, as you believed the last time when you put a time limit on it, that this is temporary legislation, jerry-built for the purpose of disassembling when December of 1978 comes around. With great respect, all the evidence I see is against the possibility of this legislation being able to be done away with by December of 1978. There is no evidence at all to go on.

As a man of affairs—I know that the minister is an educated and trained economist—he knows he needs lead time to start building rental housing of any kind. He needs lead time for the purpose of putting a business deal together, of getting a mortgage commitment, of putting the financial deal together and so on. It takes six months to a year to do that. Even though the Minister of Housing (Mr. Rhodes) will get up and promise \$600 per unit per 10 years and all that stuff; that's great, but that doesn't mean that the builders get off the mark and start rushing to the marketplace and start building, because there's another thing that's involved.

I can talk about Metro Toronto with some authority and some knowledge. Most of the land in Metropolitan Toronto is zoned against multiple-family building. This simply means

that the people who want to build, whether they're offered \$600 a unit or \$6,000 a unit, have to go to the respective municipalities, which are inimical to their desires to build, and they have to make applications for rezoning. They have to make an application to the committee of building and development, which then has to go to the planning board, which then has to go to the department of works and the parks department and the board of education and the traffic department for clearance; and then it goes to the executive committee or the board of control; and then it's probably sent back to the committee of buildings and development; and then it's sent to the council; and then it has a run around there. Finally, after it passes there, if they're lucky it goes up to the Ontario Municipal Board. Then even after there's a decision reached at the Municipal Board it has become very fashionable, regardless of who wins at the Municipal Board, to appeal the decision to the cabinet.

Does the minister know that nowadays for a man or a company to make an application for rezoning to any council in Metropolitan Toronto, it takes from 18 months to three years—if he is lucky? That's if he is lucky. So what reason has he to believe that he has the chance of a snowball in Hades that by the time December 1978 rolls around he can take off these rent controls? He has to start thinking in terms that these rent controls that he is putting in tonight are going to last beyond the lifetime he is contemplating right here.

Let me tell him something else that's happening today.

Mr. Worton: You tell them, Phil.

Mr. Givens: There's a hearing going on right now before three esteemed gentlemen of the Ontario Municipal Board involving the city of Toronto downtown core bylaw. I don't know what the official name is—I call it that and the minister knows what I'm referring to. The other day my leader asked the Attorney General (Mr. McMurtry) and the Treasurer (Mr. McKeough) what they could do about intervening with respect to the length of the hearings that are going on down there.

Now this core bylaw, in case the minister doesn't know, involves a very important principle. It involves the introduction of rental housing in the downtown area. This can be a big boon if it happens, if the OMB approves of it. I won't get into the merits of the discussion as to whether there should be rental housing in the downtown area. This is not

the forum for that kind of discussion, and besides it's probably sub judice. But assuming the city of Toronto is right in promulgating this kind of philosophy and this kind of theory, this hearing started in January 11, the prognosis is that this hearing probably will last for another six months, it probably won't be through until the end of the year. There are about 100 lawyers ranged against the city of Toronto with applications for exemptions and exceptions, and for argument and for contemplation, and for debate about the philosophy and so on. After the hearings are completed and voluminous notes are made, I say to the minister that the members of the Municipal Board, whom I admire and respect, will be completely incapable of rendering a decision immediately; they will have to reserve the decision. I don't care how smart they are, it will take them from three to six months to render a decision. So that takes us into the middle of 1978.

Even after they render a decision, having regard for the fact that it involves the city of Toronto and 100 people making applications who have very important pecuniary interests in the situation, there are bound to be appeals to the cabinet, which brings the decision to the end of 1978. How in heaven's name does the minister expect that on that particular deal, on that particular application, on that particular bylaw, there can possibly be a resolution of that bylaw before December 1978? We need not expect any kind of relief, any kind of leeway, any kind of elbow room for rental housing from that. I don't know what the minister is going to do about it.

The answer of the Attorney General to my leader was that he didn't think it was proper to interfere or intervene. On the basis of law and on the basis of jurisdiction, the OMB certainly has the jurisdiction; there's no question that they have the jurisdiction. But I tell the minister that it was never contemplated—and I was a member of the select committee that looked into the OMB a couple of years ago—it was never contemplated that the OMB should be geared to deal with that kind of situation. If we added another 26 members today to the Ontario Municipal Board's present complement of 26 members, I don't know whether we could accelerate the speed with which hearings are handled there. It's simply impossible to accelerate the speed with which things are done at that particular level of government.

What evidence has the minister got that this legislation can be contemplated to be anything but permanent? He must look beyond December 1978—indeed, he should be

looking towards December 1982—as the point for the ending of rent control in this province, because he doesn't have a chance of a snowball on a hot stove of increasing the market. After all, one thing we're all agreed on in this House is that the only way we can end rent controls in this province is if we have a sufficient market of housing in this province.

The minister today answered my friend from Kent-Elgin (Mr. Spence), who asked what the minister was going to do about the price of gasoline, which my friend's investigation has shown is 80 cents a gallon in one place and 89.9 cents a gallon elsewhere.

Mr. Foulds: It's \$1.06 in the north.

Mr. Given: The minister got up and said: "This is a wonderful province, and we have a competitive system with respect to gasoline." Although he didn't say so, the minister implied that if you don't like paying 89.9 cents a gallon in one gasoline station, you drive away and go to another station and pay 80 cents; and you can do that with pretty easy facility. But when you're an old lady—

Mr. Foulds: He is an old lady.

Mr. Givens: —or when you're a senior citizen, living on a fixed income in an apartment where you have been living for many years, and your landlord comes and and socks you with an increase of \$20 or \$40 a month, you can't pick yourself up and, at the age of 75 or 80, start walking down the hall, down the block or 10 blocks away or 10 miles away, and start looking for another apartment.

Mr. Nixon: It will happen to you, Sidney.

Mr. Givens: The competitive marketability in rental accommodation isn't that way.

Mr. Mancini: How does that grab you, Marv?

Mr. Givens: We have got to be humane about this thing. We've got to use some heart in this; we can't just look at it callously.

Mr. Mancini: How do you feel, Marv?

Mr. Shore: We're debating rent review. What bill is he on?

Mr. Givens: The point that I'm trying to make is that the minister is off on a wrong tangent when he is talking about the temporary aspect of this legislation.

Mr. Speaker: Order, please.

Mr. Givens: As much as I dislike it, and I tell you, Mr. Speaker, I dislike it as much as you do. Until you have evidence, at least 18

months in advance or two years in advance, that the rental accommodation is increasing, it is wrong, it is cruel, it is callous, it is not smart politically for you, standing on the edge of an election, to take the position that come hell or high water you're going to abandon rent controls. I think you'd be very well advised to take the termination date, right now while while you're headed for an election, face it realistically and admit that it isn't temporary and that it's got to be more permanent than in the next year and a half that you have in your scope, in your view.

With respect to specifics—that was specific, the date. On the percentage increase: I don't like talking about eight per cent or six per cent. I think those figures are arbitrary. I don't think you can talk about eight per cent or six per cent any more than you can talk about four per cent or 10 per cent, it has no meaning.

The only thing that has meaning for me is the index of inflation, which is set now by the AIB. If the AIB is abandoned or done away with or goes into limbo for some reason, there will be some other kind of price index, the cost of living index of Statistics Canada or some other price index, which will be related to the index of inflation of the country; and you should tie yourself to that, whether it's six per cent or eight per cent or anything else.

I don't think we should get into an auction sale in this Legislature as to whether it should be eight per cent, and if you go for eight per cent you're the bad guys and if we go for six per cent we cover ourselves with glory. Let's not get into that kind of cheap politicking.

I think that's wrong. I think what is right is that we should tie ourselves to the index of inflation—if it goes up the increases should go up; if it goes down, the increases should go down.

Mr. Mancini: Do you understand this, Ed? Just zero.

Mr. Cunningham: You could do your thesis on it.

Mr. Givens: One other thing: With respect to decisions I think we should have some form of registration.

Mr. Speaker: Order, please.

Mr. Givens: I don't know whether that form of registration should be that everybody, every landlord who has rental accommodation, should register the rentals of his rental accommodation, whether he has one

unit, two units or 2,000 units; but I think there should be a system that everybody who runs can read. Where a tenant goes into a unit, whether it's two units or 100 units or 500 units, he should be able to tell, either by application or by seeing it somewhere, what the rental is. What is the big secret?

Hon. Mr. Handleman: There isn't any.

Mr. Givens: Why hide it? Well then show it, make provision for it.

Hon. Mr. Handleman: It's there.

Mr. Givens: You don't have any provision for it in here. You've got to prove it to me because I don't see it in here.

Mr. Shore: You've got to read it first before you can see it.

Mr. Mancini: Go back to sleep, Marv.

Mr. Givens: We will be putting forward an amendment on that.

Another thing, where you have a building with 100 units or more run by one of the big corporate giants, why should there have to be 100 applications? Why can't there be one application? When you have one application, the things that are considered by the Rent Review Board are the same; whether there's a put-through of costs for the increase of taxes or electricity or heat or whatever, they're the same for a unit as they are for 100 units. There should be one test case for the whole apartment house which should apply *pari passu*—and you know what that means—to all the units and that should be the end of it.

Hon. Mr. Handleman: Wonderful.

Mr. Givens: I think you should give professional help to the small tenant, the senior citizen, the widow, the elderly gentleman who comes and who fights with the big corporate giant. How can you compare the ability of some of the applicants who have come to me for help with the corporate giants who have their solicitors and their accountants and their managers?

Mr. Nixon: Fancy accountants from London.

Mr. Givens: How can you compare the ability of both sides to present their case properly before the Rent Review Board unless you protect them? I think you should give them such protection.

My final point is that the regulations you will be promulgating under this Act should be published and they should be circularized

very quickly. They shouldn't be secret. Everybody should know what they are and they should be readily available.

Mr. Samis: That would be something new.

Mr. Givens: Mr. Speaker, those are my submissions; thank you.

[8:30]

Hon. Mrs. Birch: If I didn't know better, I could easily get the impression from listening to hon. members across the way that rent review over the past 18 months or so has achieved precious little and perhaps worse.

Mr. Kerrio: That's what the Minister of Consumer and Commercial Relations said.

Hon. Mrs. Birch: It is surely time to get the whole thing into better perspective so that we understand properly the significance of the amendments before us and what is really required at this point to ensure maximum protection under the law. Without imposing impossible burdens on the landlords.

Mr. Mancini: You probably put him up to it.

Hon. Mrs. Birch: Nobody, I take it, will quarrel with the fact that at the time of rent review coming into being tenants were asked to finance an inflationary upswing in the cost of labour, land and building materials. For several years before rent review, the resale value of properties had been going up because of the inflation in those costs, and investors were beginning to look elsewhere. It was only natural then that the property owner, seeing his income from rents dropping, relative to the value of his property, tried to get back the old balance between rents and property values by putting up rents. As we well know, rents went too high and too fast for many tenants to cope with. Rent review was necessary then and we all agree it is still necessary—

Mr. Martel: Why do you oppose it?

Hon. Mrs. Birch:—while inflation continues at present levels, to prevent tenants having to pick up the tab for the high prices they are not to blame for. I doubt if any government, majority or minority, could have done better in the time available to set up the process of protecting tenants—

Mr. Martel: Under pressure.

Hon. Mrs. Birch:—while being fair to landlords, than we have actually done.

Mr. Kerrio: That's minority government.

Mr. Reid: Only from pressure from the opposition.

Mr. Acting Speaker: Order, please.

Hon. Mrs. Birch: The fact that about three-quarters of the residential units in the province never came to rent review at all is a good indication that the eight per cent guideline was found reasonable and that most people decided to live by it. However, the quarter that did come accounted for 7,317 hearings, at which rents for 130,455 units were reviewed up to the year-end 1976. This work was done by a staff of just a little over 300 for the whole province, including about 80 rent review officers. Only two of this total staff are civil servants. The remainder are on contracts that can be terminated on two weeks' notice. Of course, some mistakes were made; no one is perfect.

Mr. Cunningham: All Tories in my area, all of them, every one.

Mr. Drea: That's a lie and you know it.

Hon. Mrs. Birch: After all, this is the first time in the history of this province that we have had rent review legislation, barring World War II when there were controls of a different nature.

Mr. Cunningham: Every one Tory—big T.

Hon. Mrs. Birch: If the amendments are necessary to make things work better or to keep the legislation up to date, that doesn't mean that a darned good job wasn't being done before.

Mr. Davidson: You had to be squeezed into it.

Mr. Martel: You did it reluctantly.

Hon. Mrs. Birch: It is true that rent review has changed a lot of people's lives. But it has often changed them for the better.

Mr. Cunningham: All Tories in my area.

Hon. Mrs. Birch: Because of rent review, thousands of tenants can now look forward to a full year of steady rent payment—

Mr. Martel: What about 1978?

Hon. Mrs. Birch: —that they can budget for in advance, and so can their landlords.

Mr. Acting Speaker: Order, please. Will the hon. members refrain from their conversations and let the hon. minister continue.

Hon. Mrs. Birch: In many cases, landlords have told their tenants they will stay within

government guidelines, so tenants can budget even further ahead. The days of sudden rent increases and abrupt evictions are over.

Mr. Martel: What about 1978?

Hon. Mrs. Birch: There have been a lot of sparks flying at rent review hearings, I know, but the hearings have been a unique opportunity for landlords and tenants to get together and quite often to learn for the first time about their various problems and their responsibilities. Rent review has given both sides a forum they never had before, a platform to express their feelings and air their grievances in an orderly way. The old landlord mystique has gone, and I don't think any honest person would say that that is a bad thing, including the landlords themselves.

Mr. Davidson: Even the Waterloo regional management association would say that.

Hon. Mrs. Birch: Tenants are now meeting face to face with landlords at rent review hearings and having a chance to discover why increases are made and what the landlord's burdens of costs and expenditures are all about. A lot of tenants and landlords have told me they've found rent review officers to be fair and impartial, and they are convinced they have been doing their very best to weigh all the facts and figures, listen to everybody and order rent levels that faithfully reflect increases in allowed costs.

Incidentally, as I understand, very few of these officers are out of the real estate field. The great majority are accountants or were finance managers or the like.

Mr. Cunningham: Tories.

Hon. Mrs. Birch: Some hon. members forget that rent review was not, and cannot ever, be designed to make everybody happy. Tenants who get increases higher than they expected, or sometimes any increases at all, don't like it.

Mr. Samis: This is not the Rotary Club, you know.

Mr. Mancini: That's a cheap shot; that's a very nice Rotary Club.

Hon. Mrs. Birch: Landlords who can't increase the return on their investment under rent review don't like it. But the cost pass-through principle, the same principle that the federal anti-inflation curbs are based on, is surely the fairest of possible choices for the short run.

A number of smaller landlords have told me they are grateful to rent review for help-

ing them to get their books in order. The need to collect together figures on costs and revenues periodically has helped them to get a clear picture of where they stand, a better basis for planning ahead.

Tenants involved in rent review have been sharing their concern with their neighbours and getting together to form tenant associations. These have not necessarily involved hostile confrontations with landlords. Very often tenant representatives have been getting together with landlords to work out problems, and both parties have appreciated the advantages of this.

I represent a riding—Scarborough East—in which there are literally thousands of tenants. Through my office in the riding I have been able to advise many of these tenants on how to go about applying before—and to appear before—the rent review officers. I have had many letters thanking us for what we have been able to do on their behalf. I would like to read into the record a letter that I just received yesterday:

“Dear Mrs. Birch:

“My husband and I wish to sincerely thank you for the time and interest you expended on behalf of us and other tenants at the above address in connection with our rent problems. I do not know if you were ever advised, but our landlord was granted an increase of 9.6 per cent only over the previous rent in 1976.

“I realize, and I do hope that other tenants do also, that this was largely brought about by the efforts of my husband and Mr. Loveridge, but we all realize that your interest and help did a great deal not only towards our goal of a fair rent increase, but also to restore some feelings in the interests of you and others like you as representatives of the people and the government to act on our behalf.”

This is just a sample of many letters that I have received from people who recognize that the landlords, as well, have to have—

Mr. Martel: Did you get any of them complaining?

Hon. Mrs. Birch: Yes, of course.

Mr. Martel: Read a few of those too.

Hon. Mrs. Birch: It stands to reason neither landlords nor tenants want problems in taking up or terminating tenancies. If rental units are affordable, tenants will stay in them. In other words, although landlords and tenants may approach rents initially from different standpoints, their goals really are

very similar, as rent review has shown. If these goals can be achieved without rent review, so much the better. But I doubt if anyone would seriously suggest that they could, in the immediate future.

Meantime, the figures show that while landlords in Ontario ask for average rent increases of 19.66 per cent through rent review, the average figure they were granted to the end of last year was 12.56 per cent. Those figures speak for themselves.

Some members, it seems, are not as familiar with the rent review Act or with the amendments as they should be.

Mr. Samis: That is an understatement.

Hon. Mrs. Birch: If they were, they would not have made the comments and criticisms they did this week in the House. Rights or facilities which hon. members have claimed do not exist for tenants have been in the statute since the rent review Act was passed. They have simply not been used by everyone who could have done so.

Take the question, for example, of registering rents. It's possible many tenants might object to having their rents available for inspection in some public place. However, I'm assured by rent review officials, that it is a fact that any tenant checking the file on his unit at his local rent review office will find in it information about rents for his residence going back to 1974, as well as a list of the current rents on all other apartments in the building. This is information that the landlord is required to submit; and the amendments introduce stiffer penalties for anyone who withholds or falsifies information.

Also, any tenant can phone his local rent review office to find out if there is an ordered rent on his unit, and what it is.

On the question of assistance given to tenants from the first days of rent review, there have been staff in every rent review office whose sole duty has been to explain the Act and all of its ramifications to anyone who asks. The help is there and it always has been. The public have only to avail themselves of it.

And there are no longer to be thousands of pieces of papers passing hands, as one hon. member believes. Section 7(2) of the amendment Act takes care of that.

Sometimes a little knowledge can be more dangerous than some members opposite may believe.

Mr. Acting Speaker: The hon. member for Scarborough Centre.

Mr. Drea: Mr. Speaker, on a point of order. During the very eloquent address by the minister there was an interjection. The interjection was that the rent review officers—and, presumably, it's in the Hamilton area, although maybe in the Wentworth area as it was the member for Wentworth North who made the interjection—

Mr. Breithaupt: What is the point of order?

Mr. Acting Speaker: Please state the point of order.

Mr. Drea: It was an interjection—that the rent review officers there are Tories.

Mr. Nixon: Why don't you make a speech if you want to make a speech?

Mr. Drea: I think that remark should be stricken from the records. It's derogatory to professional people. I am prepared to believe it's a very naive remark.

Mr. Nixon: It is a terrible insult to say they are Tories.

Mr. Cunningham: They are Tories.

Mr. Acting Speaker: The hon. member does not have a point of order.

Mr. Drea: No, they aren't Tories.

Mr. Cunningham: They are.

Mr. Acting Speaker: The hon. member for Oakwood will continue.

Mr. Shore: Just because they didn't vote for you doesn't mean they are Tories.

Mr. Acting Speaker: The Chair has ruled that the hon. member did not have a point of order.

Mr. Cunningham: That's not a sin.

Mr. Foulds: To the point of order: I thought the Tories were all derogatory, that's all.

An hon. member: They have all the good jobs.

Mr. Acting Speaker: Order, please. The Chair has ruled that the hon. member does not have a point of order. The hon. member will start his remarks.

Mr. Foulds: I thought he was indicating that "Tory" was an obscenity.

Mr. Nixon: Well, it's at least unparliamentary.

Mr. Martel: He also called the hon. member a liar. You should check Hansard.

Mr. Grande: The way the minister was talking about this rent review legislation, it appears—maybe I've misconstrued her remarks completely—but it appears she's beginning to take credit for the rent review programme in this province.

Hon. Mr. Handleman: Oh, back to taking credit again.

Mr. Grande: If I may remind you, Mr. Speaker, and through you the members opposite, of the election of September 1975, I'm sure they recall the Premier (Mr. Davis) in the months of June and August, hopping from one idea to the next. We're going to have rent review; we're going to have this type of rent review; until finally he could not deny it any longer: rent control was necessary. He realized it, but unfortunately it was too late.

[8:45]

Mr. Davidson: They were forced into it.

Mr. Grande: And then when they came back here as a minority government, they really had no option, they had no option whatsoever. As a matter of fact, if I recall correctly, the first piece of legislation that came before this House was the rent review programme. And all scheduled for one thing, and that was to suggest to the tenants in the province of Ontario that the Conservative government moves and does something about tenants.

Hon. Mrs. Birch: No.

Mr. Martel: Nonsense. You opposed it steadily.

Hon. Mrs. Birch: No.

Mr. Martel: Oh yes you did. Where do you get the gall?

Hon. Mrs. Birch: From watching you.

Mr. Martel: We were around here too, you know.

Mr. Bain: You can fool some of the people some of the time, but you can never fool a northerner.

Mr. Acting Speaker: Order, please.

Mr. Martel: You're a sanctimonious character.

Mr. di Santo: You want tenants' votes, that's why.

Mr. Martel: You opposed it all through the election of last spring.

Mr. Acting Speaker: Order, please.

Mr. Martel: Don't give me that nonsense.

Mr. Grande: Mr. Speaker, I find the Provincial Secretary for Social Development's speech really amazing, because I thought that no one from that side of the House was going to get up to speak in terms of protecting the tenants in this province. She must at least admit the fact that she was forced into bringing in rent controls.

Hon. Mrs. Birch: No, never.

Mr. Grande: The government was forced into it, and that's all there is to it.

Interjections.

Mr. Acting Speaker: Order, please.

Mr. Grande: If she is going to attempt to take credit for this legislation—

Mr. di Santo: The tenants will vote against you.

Mr. Grande: —the tenants out there will certainly know what has happened in terms of rent controls and who brought it in.

Mr. Cunningham: Nowhere to go? Try Social Credit.

Mr. Acting Speaker: Order.

Mr. Shore: Take care of your schools, Remo, they need a janitor down there.

Mr. Kerrio: Hand in your blue suit and get back over here.

Mr. Grande: Mr. Speaker, if I may begin with the remarks that I really intended to make—

Mr. Shore: Speak to Trudeau. I think he is looking for some help down there.

Mr. Acting Speaker: I wonder if the hon. members would kindly refrain from their remarks and allow the member for Oakwood to continue.

Mr. Grande: Thank you very much, Mr. Speaker, except those people on the other side of the House obviously cannot take what reality is all about, and what has happened in 1975 is reality.

Hon. Mr. Handleman: When are you going to start saying something?

Mr. Bain: That is by a minority government.

Mr. Grande: They have to be reminded all the time that they have lost complete touch with reality in this province, whether it be in this budget that was presented the other night or whether it be the return of the rent review mechanism in this province.

Mr. Speaker, we remember the minister all too well. Perhaps he was flirting with the press throughout the last three or four months, suggesting: "Look, we haven't decided. The cabinet hasn't made the decision in terms of rent control and whether we're going to extend it or whether we're going to change it."

Hon. Mr. Handleman: I didn't say that.

Mr. Grande: Sure you did.

Hon. Mr. Handleman: You should have been here in December.

Mr. Martel: You were going to resign. I was here, don't kid the troops.

Mr. Acting Speaker: Order.

Hon. Mr. Handleman: You didn't even know we brought in amendments to The Landlord and Tenant Act.

Mr. Acting Speaker: Order, please. The hon. member will continue without interruption.

Mr. Grande: Then the press did not report the minister fairly; and it is the first time, perhaps, in the history of this province that the press has not reported fairly what a minister of the Crown had to say. It will be the first time.

Mr. Shore: First time, eh?

Hon. Mr. Handleman: I cannot read that small print.

Mr. Bain: You are familiar with small print.

Mr. Grande: Mr. Speaker, tenants across this province, and in particular Metropolitan Toronto, when this particular legislation is introduced in the House are breathing a sigh of relief. They've been waiting for this legislation since last December, before the House adjourned. We thought, at least before the House was adjourned in the year 1976, the minister would have—

Mr. Bain: And they only got it because there are a lot of New Democrats here.

Hon. Mr. Rhodes: There will be a lot less in a short while.

Mr. Bain: That is your numerous col-leagues from the north.

Mr. Acting Speaker: Order, please. Allow the hon. member to continue to speak on the principle of the bill.

Hon. Mr. Rhodes: He's not saying anything.

Mr. Grande: Mr. Speaker, it's quite all right. I welcome those interjections. I'm beginning to learn that the interjections are the fun part of this Legislature.

Mr. Acting Speaker: Order, please. The hon. member may welcome the interjections but the Chair doesn't. Will you continue.

Mr. Grande: Thank you, Mr. Speaker, I appreciate that.

As I said, Mr. Speaker, the tenants welcome this legislation. This side of the House welcomes this legislation. As a matter of fact, as I was saying in December and in November, we were asking the minister questions during the question period and saying to him, "When are you going to introduce legislation which shows a commitment by this government to the tenants of this province?"

The minister was saying: "Well, in due time. When we come back from the break, we will introduce legislation. Perhaps we will introduce legislation, but we haven't made a commitment. We haven't made a decision in cabinet as to what to do."

As a matter of fact, as the minister was flirting with the press across Ontario, he said at one particular time—and other members have been mentioning it and let him please correct the press if the press was wrong—he was saying: "If this rent control legislation is not going to be continued, certainly my ministry is not going to carry it out." In other words, he implied that the Minister of Housing should have that responsibility back—and by the way, it should be as far as I am concerned the responsibility of the Minister of Housing.

Mr. Bain: He doesn't want it either.

Hon. Mr. Rhodes: You don't understand anything.

An hon. member: You tell him, sir.

Mr. Davidson: You are the only one who understands it.

An hon. member: You knew what you were doing, John.

Mr. Breithaupt: That's why you got rid of it.

Mr. Kerrio: The best pass you ever threw, John.

Mr. Grande: Surely, Mr. Speaker, everybody in this province realizes that this rent review or rent control legislation is stop-gap type of legislation. Everyone realizes this.

The tenants want some protection from the gouging the landlords have been doing in the past three to three and a half years, beginning in 1973, 1974, and 1975. The tenants require some bit of protection.

As I said, it's a stop-gap measure because really in essence there is not going to be any need for rent control or rent review in this province as long as the government moves with speed to get the developers to build the type of affordable housing and the apartments at affordable prices that the tenants in this province need. Until the government does that, I am afraid that one of the things the member for Armourdale (Mr. Givens) said is quite true and that is that rent control is going to be a permanent thing in the province of Ontario.

Another remark that the member for Armourdale had to make is that he is a free enterpriser.

[Applause]

Mr. Bain: All rise.

Mr. Drea: Well he's certainly not a pinko.

Mr. Grande: That's the remark that he made and, Mr. Speaker, if he is such an avowed free enterpriser, perhaps he should be getting up from that side of the floor and moving to the other side and keeping company with the member for London North (Mr. Shore).

Mr. Cunningham: They should come here.

Mr. Kerrio: You have 24 hours to make up your mind.

Mr. Givens: Mr. Speaker, make me a Horner offer.

Hon. Mr. Rhodes: You've got to admit we won on that trade. We got Shore and you got Horner.

Mr. Acting Speaker: Order, please.

Mr. Grande: He is obviously quite willing.

Mr. Reid: Marvin didn't do half as well. Marvin is a loser.

Mr. Acting Speaker: Order please. Perhaps you would give the courtesy to the hon. member for Oakwood.

Mr. Breithaupt: We have got future considerations.

Mr. Grande: Thank you, Mr. Speaker.

Mr. Reid: We have got three designated players.

Mr. Acting Speaker: Order. The hon. member for Oakwood will continue.

Mr. Grande: Thank you. The last few days have certainly proved—or at least let me say this, that actions certainly speak louder than words in terms of where the difference between the Tories and the Liberals in this country and in this province is.

Mr. Martel: Nowhere.

Mr. Grande: There is virtually no difference. When one of the staunch Conservative members of this country, Mr. Speaker, will cross the House and join the Liberal government and vice versa, obviously it happens.

Mr. Breithaupt: Only because nobody wants the New Democrats.

Mr. Acting Speaker: Order, please. Perhaps the hon. member would return to the principle of this bill.

Mr. Grande: Certainly, Mr. Speaker.

Mr. Acting Speaker: Thank you. Order, please.

Mr. Grande: I was talking about the member for Armourdale.

Mr. Eakins: Are you talking about Hazen Argue?

Mr. Acting Speaker: Order, please. The hon. member will direct his remarks toward the principle of the bill and ignore the interjections.

Interjections.

Mr. Reid: I'll tell you we have lost on the deal, Mr. Speaker.

Mr. Acting Speaker: Order. The hon. member will continue.

Mr. Grande: Mr. Speaker, I want to share with you, and with other members of this House who might be interested, my experi-

ences in terms of rent review and how well the rent review Act worked in the past 18 months in the province.

I've gone about three to four times before rent review officers in taking some of the tenants in my particular riding before the rent review officer to plead their cases. Later on I've taken these tenants to the rent review board.

One of the things that has struck me in going before the rent review officer is that the very first thing the rent review officer did was, when he saw there were about 100 tenants in that particular room at the library where we were, he began to lose his cool very fast. As a matter of fact, it came to the point that the rent review officer said to one of the tenants, "Please be quiet or else I'll have to throw everybody out." Exactly those words. I thought perhaps those rent review officers would have been trained a little bit better in order to give to the tenants, at least at that particular meeting, the kind of decency—

Mr. Acting Speaker: Order, please. There are too many conversations going on in the chamber. The hon. member for Oakwood has the floor. Let's give him a little attention.

Mr. Grande: —the kind of decency that tenants across this province and in Metropolitan Toronto should expect as common courtesy. The rent review officer decided that the tenants should be paying a 13 per cent increase. One of the things that really worried me at that particular time, after the rent review officer decided on this 13 per cent increase, was that the tenants should be going before the rent review board to appeal that decision, but the tenants decided not to do that. They were quite satisfied, they were quite happy with the 13 per cent increase because in previous years they had been used to 15 per cent, 20 per cent, 25 per cent increases.

I very well understand the fact that the tenants were satisfied with it, and I accepted their decision. What happened in that building is that the tenants started to form a tenant association, and here is where the things that really upset me at that particular apartment took place.

Two months after the tenants decided to form the tenant association the landlord began a very systematic approach to all six people who were on the organization of the tenant association. With one particular tenant the landlord said: "I understand your wife is having a baby and you're going to be looking for a two-bedroom apartment. I'll tell

you what, I'll give you the two-bedroom apartment if you drop out of the tenant association."

A second member was told: "You are two weeks in arrears with your rent and I legally could be throwing you out, but I will let you stay in the apartment for one more week if you drop out of the tenant association."

I can go on with the other members of this tenant association, because they were all singly approached by the landlord to drop out of the tenant association so that the tenant association could not function any longer. That's the kind of thing that the rent review legislation encouraged. Those tenants talked to me, but there was no way that they would be going before the landlord and saying to the landlord: "We in this province have rights. We in this province can take you to court for the kinds of things you're saying and the kinds of things you're doing." The tenants, I suppose, did not have the courage or the strength or the time to spend and to waste going through the court procedures.

[9:00]

Mr. Speaker, I am attempting to give you a flavour of what has been happening in the riding of Oakwood in terms of rent review. I am attempting also to give you another incident in which this group of tenants who formed another tenant association went before the rent review officer. The rent review officer said that the landlord is allowed an 8.2 per cent increase. As soon as the tenants returned to their apartments, the landlord was at their doorstep. The landlord said, "I will want an increase of 9.5 per cent." That was a completely illegal increase. The tenants didn't go for that. They were in a group by this time and had formed a tenants' association. They went before the rent review board.

Mr. Acting Speaker: Order, please. Perhaps we could have a little more order in the chamber.

Mr. Grande: I understand that a lot of the people perhaps on the other side of the House might not be interested in this particular rent review or rent control legislation.

Mr. Bain: How many government members are in the House?

Mr. Grande: It appears they're not interested in finding out the problems that the tenants in this province have been having. It appears they just want to take this legislation through so that when they can go to

the tenants of this province and say: "We have extended rent control" and so that they can safely go to the province. I don't think that that government has the intestinal fortitude of its own particular principles by saying: "We really philosophically do not believe in rent control. So, therefore, what we're going to be doing is saying to the tenants: 'We want no part of rent control.'"

I was going to say, Mr. Speaker, at least be honest, but I'm sure you would call me to order. At least let the government be true to its principles and firm on its principles. Then I would understand its position. But don't let the Minister of Consumer and Commercial Relations go across the province and say he will resign if rent review has to be extended and then have the Provincial Secretary for Social Development come into this House and pretend the government is doing some good for the tenant by extending this rent review legislation. The government has been forced into it and knows it. The members on this side of the House have forced the government into it.

Mr. Good: I have a few comments I would like to make regarding the amendments to The Residential Premises Rent Review Act. Since I had a part in the original passage of this bill, I have followed it with considerable interest, although it has not been as controversial and as prominent a piece of legislation in my area as perhaps in many other areas, especially here in Metropolitan Toronto. Recent checks have shown me that in my particular area there has been no upsurge in applications since the original large number of applications for rent review has subsided. It is pretty well standardized and there are not as many applications now as one might have expected at this time.

There are inequities in the legislation on both sides. I think inequities can run in the section which allows pass-through of costs. I think those inequities can work against the landlords, especially small landlords, who are not allowed return on investment; by the same token, with the pass-through of costs, especially in the section which deals with not allowing losses to a landlord, especially after the sale of a building, the adjustments could be considerable.

If a building is sold, and mortgages are increased that of course affects the cost to the landlord and those are passed through. The suggestion has been made that losses sustained through the sale of a building should not be allowed to be applied directly to the rent in the succeeding year; that this loss should be amortized over a succession of

years to follow so that there would be no undue increase in rent because of the pass-through of additional mortgage costs on the sale of a building when a large mortgage is put on by the new owner.

Several things in the bill appear to be rather controversial. I think one must look at them with a good perspective from both sides—from the tenant's point of view and from the landlord's. I think the thing can be simplified to the point where both will be well protected.

The matter of the percentage of increase that should be allowed without the landlord applying for a review, I think has been dealt with very well by the member for Armourdale. He suggested we should not be playing a numbers game. We are in a programme of controls, federally, under the Anti-Inflation Board, and I think the guidelines of the Anti-Inflation Board make, without exception, the best level of control that should apply to other areas of the economy.

In passing, Mr. Speaker, it is most difficult to understand how the NDP can be so vehemently opposed to the AIB guidelines—

Mr. Bain: Because there are no rent controls in the AIB.

Mr. Good: —and yet be so dedicated to the idea of rent controls. It just doesn't make sense. But, of course, very little they do say makes sense when you look at it from an economic point of view and a position of sound economic principles that should be imposed for the best of everything.

Mr. Moffatt: You wouldn't understand.

Mr. Bain: Liberalism has nothing to do with sound economic principles—just opportunism.

Interjections.

Mr. Speaker: Order, please. The hon. member for Waterloo North will continue.

Mr. Good: I'd like to offer comments to the minister, Mr. Speaker, on several of the ideas that have been put forth in amendments in this bill and some of the ideas that are prevalent among tenants and landlords.

First of all, I'd like to comment on the matter of considering all units in a building for the ensuing year when the first application for review comes up. On the surface, that may very well sound like a good idea so that the number of hearings could be reduced and tenants would know what their increase would be. I suggest that hardship could come

to tenants if the increase is set a whole year in advance. Conditions change, and I would think experience in the last year has shown that we may hope the inflation rate will decline and that smaller increases in rent will be given—or needed—by landlords six months, nine months or 11 months from now. To me, it would not make good sense to set the rent for a unit for a complete year in advance.

I think there is a provision now in the Act where the rent review officer, at his discretion, can ask landlords to make applications which would come up within the near future. I think this idea could be improved somewhat, in that landlords could be required to make application for other units that come up in the immediate future. But I hope the minister will take regard to the fact that I for one feel that setting rent increases a year in advance on those units, in my view, is not fair to the tenants. It's too far in advance. With the declining rate of inflation which we are now enjoying, it would become a hardship to the tenants to set the rate a year in advance.

Another matter I'd like to talk about—and perhaps when the minister replies he can explain it—is the registration of rents for a building. Under the amendment proposed in this bill under section 6, there will be a new section added to the bill, 11(a), and this section will require that where an application—excuse me.

Mr. Speaker, as you are aware, the terms of this bill are quite technical and I would like to get my point across to the minister. Mr. Speaker, if I could have at least your attention, I would like you to relay to the minister that I would like to have his attention.

Mr. Acting Speaker: Order, please. The hon. member for Waterloo North has the floor.

Mr. Givens: Sit that farmer down in his seat.

Mr. Moffatt: You are an agrologist, aren't you, Bill?

Mr. Cunningham: You and Jack Horner.

Mr. Good: Thank you. My point is this. Section 6 of the bill calls for the addition of a new section in the Act, and this new section says that the rent review officer may ask for a rent roll or a rental agreement for a particular unit when there is an application by the landlord for review of any unit in that building. That's fine, except that this

is permissive. Personally, I think that the rent review officer should be required to have that information on file to begin with. The rent review officer in my area tells me that yes, they invariably will ask for a schedule of rents, so there would be no problem whatsoever in changing that "may" to "shall" and require that they have a schedule of rents for every building where there is a review hearing.

However, in my view that does not help the other situation that occurs when tenants are new and they're moving into a building and have no accurate information of what previous rents were. There have been all kinds of suggestions, including posting up within the building what the rents are in that building. That idea I personally reject. I don't think it's good. I think they would get torn down in no time, and I don't think they should be held up for public display.

There has been the idea that there should be a rent roll and a schedule of every rental of every apartment unit in the province on file with the rent review officer. That may or may not have merit. To me that sounds very cumbersome, that the owners of every duplex, triplex and fourplex that's never been to rent review would have to file a rent schedule.

I think, though, there must be some protection for the new tenant and I would think a system could very well be worked out—I have spoken to people on this and it would not be cumbersome—where a tenant could be able to file with the rent review officer a form 5A, which is a form asking for justification of the rent, and that the rent review officer would on the filing of a form 5A by a tenant, whether that tenant has been given an increase at that particular time or not, but especially this would be applicable to new tenants moving in, when the tenant goes down and fills out the 5A form it should be mandatory that the rent review officer requests from the apartment owner a rent rollback to 1974, the same as he is requesting when the landlord files an A5 for a rent review.

I don't think that would be a cumbersome situation. It would mean that the rent review officer would have on file the rent schedules for apartments where the landlord has asked for a review and where the tenant has asked for a justification. I would think the tenant should be able to file the 5A form not only when the landlord wants to increase the rent, but at any time during his tenancy or especially when he moves into a new apartment. It would be quite difficult for a tenant moving

in to find out on his own just what the previous rent was. Since rent review legislation does not apply to the tenant but to the apartment, I think the new tenant has the right to know what that previous rent was.

[9:15]

I don't think that would be cumbersome. It would mean that the rent review officer would have to file that rent schedule under those two conditions. They tell me they are doing it now for the landlord's application where there is a justification of rent which does not trigger a rent review hearing; it simply allows the rent review officer to ask the landlord to justify his rent.

Unfortunately, I have to go along with the idea that there is a necessity to continue this legislation here in the Metropolitan Toronto area, and perhaps in some other areas of the province. I would be glad to see a programme that would gradually phase this thing out. When rent review came in we had a 10 per cent vacancy in the Kitchener-Waterloo area in the summer months and about four per cent in the winter months. Since no apartment buildings have been built in our area since rent review came in, our vacancy rate is now considerably less. It will not improve until we get a splurge of new apartment buildings.

There has been one redeeming factor. There have been a lot of condominiums built in our area, and while their sale has been quite slow there are people moving out of apartments into condominium units. I think this is helping our rental figure to some extent. That concludes my comments on this legislation.

Mr. Moffatt: Come on, "Jack"; let's have your speech, "Jack".

Mr. Shore: I welcome this opportunity to speak.

An hon. member: There's a by-election in Crowfoot.

Mr. Deputy Speaker: The hon. member for London North welcomes the opportunity to speak. I hope you will welcome the opportunity to listen to him.

Mr. Shore: I welcome this opportunity and, with the permission of the member for Riverdale (Mr. Renwick), I would like to share a few remarks with you.

Mr. Nixon: The member for Riverdale isn't even here. He might be smarter than the rest of us.

Mr. Shore: I've had permission from him to speak.

Mr. Good: Are you still as opposed to it as you were before?

Mr. Shore: I would like to join with the minister in actively supporting the Act to amend The Residential Premises Rent Review Act.

Mr. Ferris: You didn't used to like rent control, Marv.

Mr. Shore: I take pride in joining with the government in the extension of this Act.

Interjections.

Mr. Shore: These interruptions make good Hansard. I notice a lot of Liberals aren't wanting to talk because they are a little scared about what they said last year; this year may vary a little bit.

An hon. member: Not so with you, Marvin.

Mr. Deputy Speaker: I hope the member for London North will confine his remarks to the principle of the bill and ignore the interjections.

Mr. Mancini: Marvin scores again.

Mr. Moffatt: It is still one to nothing.

Mr. Shore: I will talk on the principle of the bill but, for the record, I would like to state that on many of the specifics brought up by other members—and I note particularly some of the comments made by the member for Waterloo North—I share their feelings; I won't, however, repeat some of the specifics.

I think it should be stated that the members of the New Democratic Party have shown very clearly that they are truly in opposition. It wouldn't make any difference whether this bill was extended or not, they would be opposed to it.

Mr. Moffatt: We said we supported the bill.

Mr. Shore: They are clearly indicating that they are opposed to everything; they have shown that today.

Hon. W. Newman: They are opposed to everything.

Mr. Moffatt: We will continue to support the bill.

Mr. Shore: They like to be the initiators or the originators, to take the credit all the time. They are not the end all or the be all

on the rights of tenants. They may think so, but the tenants don't necessarily believe that.

Mr. Bain: No, you are, Marvin.

Mr. Ferrier: You are the end all and be all on the rights of the landlord.

Mr. Shore: I would also like to state, for the record, that in the year or so that this legislation has been in place tenants and landlords in the riding of London North have experienced certain unhappiness.

Mr. Bain: If you quit switching around you wouldn't get all the flak.

Mr. Shore: I have been pleased that in many of these experiences—unfortunately not as many as I would like either through the rent review Act or through discussions, both the tenant and the landlord have come away happy. Just this week, through a bad experience with the rent review Act, a landlord and a tenant who had been getting along for a number of years became involved in a very apparent and unfortunate conflict. I am pleased to report that I am going to be meeting with both these parties and hopefully they will communicate with each other, if nothing else.

Mr. Ferris: Bash their heads together.

Mr. Shore: There is quite a bit that I could say of my feelings and experience on the administration of this legislation heretofore—hopefully the new amendments will help clear that up—but the most consistent experience I have had is with the inconsistency in its administration.

Having got that out of the way, I would like to speak for a moment on the whole concept of rent review. I would like to reply for a moment to the criticism of this Act which has been made by the opposition. Apparently the hon. members of the opposition would prefer to see the government institute permanent rent controls.

Mr. Moffatt: How would you know?

Mr. Shore: They have suggested that there be no termination date in The Residential Premises Rent Review Act—and that the rent review programme continue indefinitely. I submit that is no way to eliminate the short-ages. I was extremely surprised to hear the opposition make the recommendation, and I would have thought that the hon. members of the opposition were acquainted with the experiences of permanent rent control in other jurisdictions—jurisdictions which I think they should be somewhat familiar with.

Mr. Grande: You don't want this government—

Mr. Deputy Speaker: It is my understanding the member for Oakwood has already participated in this debate.

Mr. Shore: However, they are actually as out of touch with the real world as I had always believed they are. Still, I would have assumed that they were somewhat familiar with the writings of the great economists they sometimes read about, but the hon. members of the opposition appear to be living in a fog. They are not aware that historical experience and economic theory demonstrate—

Mr. Kerrio: You have risen above that now, eh, Marvin?

Mr. Shore: Yes, I've gone above it.

Mr. Moffatt: You are right up to your eyes.

Mr. Shore: As a matter of fact, I was never quite there. I think you are above it too but you don't want to stand up and say it, that's the problem.

Mr. Mancini: Is that a Jack Horner remark?

Mr. Shore: We can't afford Trudeau's price.

Mr. Deputy Speaker: Would the member for Essex South try to contain himself, please?

Mr. Mancini: It is awfully hard, Mr. Speaker.

Mr. Deputy Speaker: And the members for Niagara Falls and Durham East.

Mr. Shore: Mr. Speaker, it is time we realized that permanent rent controls—and I stress permanent rent controls—and housing shortages are substantially synonymous and that permanent controls invariably create shortages.

Mr. di Santo: Don't be so silly.

Mr. Shore: Really the ultimate losers in all this are the people I want to protect—and I am not so sure about you—

Mr. Bains: The landlords.

Mr. Shore: —the tenants of this province. Put that in your Hansard as you send it out too.

Mr. Speaker, a rent review programme is merely, I submit, a short term measure only to be applied when a disequilibrium has developed in the housing market. I would like to remind the hon. members why this government originally decided to implement The Residential Premises Rent Review Act.

Mr. Bain: You were forced into it.

Mr. Shore: Supported, incidentally, by all parties. I think it is correct to say that the problems which eventually led to the institution of the Ontario rent review programme probably began back in 1971 or maybe a little earlier.

Mr. Campbell: No, 1975 is about right.

Mr. Shore: Oh, we've got a new voice. Before that date, and indeed, for some time afterwards, tenants in this province enjoyed a buyer's market. I would like to debate that because, in fact, they did. There was a large surplus of rental units available and consequently rental accommodation was comparatively inexpensive. In many parts of the province, then and to this date, there are still major losses incurred by ordinary landlords suffering unduly. I had the pleasure, a week or 10 days ago, of being in Windsor and speaking to a group of people of approximately 200—and I'd like particularly the loyal opposition to have been there—

Mr. Deputy Speaker: What principle of the bill is the member enunciating?

Mr. Shore: The principle is this: They have accused landlords of being bandits, pirates and thieves. They should have shared that evening with me, with 200 people, some of them owning four units, six units, 10 units, and tell them they were bandits, with all their savings put into these things. These were entrepreneurial people who put their savings into it.

Mr. di Santo: Oh, come on. Sit down.

Mr. Shore: And I'd like to see them go down to Windsor, and call that group of people bandits.

Mr. Ferrier: How do you know what rents they were charging?

Mr. Shore: In 1971, Mr. Speaker, economic studies were beginning to show that investment in rental properties was no longer sound. Bonds were much better to buy. Rent increases were needed to make new investments profitable and to enable older projects to catch up with costs.

Moderate increases of four or five per cent a year were needed to restore the balance between rent and costs. I doubt that many people would have objected. After all, these increases would have been less than general inflation. But the necessary rent increases were delayed in many instances, partly because of the market conditions. From 1970 to 1974, rents rose approximately eight per cent compared to 41 per cent increases in costs for many homes. The reasons why rents didn't rise to that level was because completions had created, in many instances, an oversupply. Then again two things happened to make the investment situation even more desperate.

First, the federal government went ahead with its package of tax reform. Among other things, during that time, the reforms meant that depreciation on rental projects could not be deducted from other income. The benefits that some tenants had been getting because of the tax break provided to rental investors came to an end—and in fact it did. I know for a fact and many others know, that many owners were satisfied to take nominal returns, if any returns at all. But they weren't doing it and the marketplace was also a determining factor. The federal government's own advisers warned that this provision would reduce investment in rental properties and they were right.

From 1970 onward, starts on apartment buildings began to decline as a percentage of total starts from better than half of the total starts to less than one-third last year. Vacancy rates began to decline as well, of course. At the same time, renewed inflation at ever higher interest rates pushed capital and operating costs to new highs.

Look at some of the facts. In just the past couple of years, property taxes are more than 18 per cent higher than they were two years ago. Mortgage interest rates have risen substantially. Tenant repairs—nearly 23 per cent. Fuel and utilities—more than 30 per cent. In the same period, average rents rose just a little more than 11 per cent for existing apartments.

But it was still evident, Mr. Speaker, that this moderate rate of increase could not be sustained. As the costs continued to escalate, it became obvious and apparent that a day of reckoning was coming and that the accumulated deficiencies of the past would create rent increases of higher proportions. Individual cases of hardship were reported with increasing frequency and a sense of panic—and I stress panic—started to spread among the tenants. The cries rose up for

rent controls and ironically, this cry itself helped to stampede the market and make controls necessary. No one knew what rent increases were coming or what they should be.

In an effort to get ahead of the game, and stay within the game in some instances, some landlords seemed to be pushing for increased rents. Some appeared to be grabbing what they could before the controls came in. So controls became necessary to cool out the situation and to phase in legitimate rent increases to cover legitimate costs—

Mr. di Santo: Who wrote your speech, Marvin?

Mr. Shore: —rather than overnight increases and overnight raises without justification or explanation.

Mr. di Santo: What is that? A ministerial statement?

Mr. Ferrier: Who wrote your speech, Marvin?

Mr. Shore: I do it. I do a lot of my stuff myself now.

Mr. Mancini: We can tell, Marvin.

Mr. Shore: Oh, and I try to get some help from whatever side of the House I can get it—although I agree you agree with most of the comments. I appreciate that.

Mr. di Santo: You will make it next time.

Mr. Shore: Rent controls are not an argument against the private sector, but rather a necessary although short-term period of adjustment.

[9:30]

Landlords are not to blame for inflation. They must eventually pass it on. In the main, it is not their fault that it came all at once; that was largely dictated by circumstances, I submit. Nor is the tenant to blame. Obviously, tenants must be sheltered from a sudden reckoning with inflation that at one blow takes away the capacity to pay for an apartment which only the week before was well within their reach. It would have been inhuman to sit back and watch circumstances deprive people of their homes.

Some of the factors that led to the government's decision to introduce the rent control scheme still remain, particularly the federal government's anti-inflation programme, continuing high rates of inflation and a short-fall in rental accommodation.

Mr. di Santo: What about high unemployment?

Mr. Shore: This has necessitated an extension of The Residential Premises Rent Review Act, which has been prolonged until the official termination date of the anti-inflation programme. The hon. members of the opposition feel that rent review should remain in force until all shortages in rental accommodation are removed. I would like to remind such members that the provincial government has programmes now in force which are working, and hopefully will work better. Ontario has Canada's most comprehensive and well-developed rent supplement scheme. This has been rapidly expanded to meet the needs of those who cannot afford basic accommodation. The government rents apartments from private landlords and leases them to families and individuals based upon what they can afford.

On this point, I think this concept is worthy of strong improvement and expansion because therein lies hope for the future of rental accommodations, and therefore help for the tenant. It has been proven time and time again that the private sector can not only build them at less expensive costs, but can operate them at substantially less. Provincial co-operation with federal and municipal governments will continue in order to increase the amount of rental housing for senior citizen and low-income families. Through the newly merged Assisted Home Ownership Plan and the Home Ownership Made Easy programme, we will continue to assist moderate-income families to buy their own homes, thereby freeing currently occupied rental units.

Mr. di Santo: When?

Mr. Shore: I must tell you, if you're truly interested in the tenants—

Mr. Moffatt: We are.

Mr. Shore: Yes, you are all right; however the government is also initiating a programme to stimulate the construction of moderately priced rental units. This programme will work in conjunction with the assisted home rental plan of the federal government.

Mr. Haggerty: You don't believe that?

Mr. Shore: Oh I believe it, sure.

Mr. Deans: That one has been an overwhelming success?

Mr. Shore: I believe it, yes.

Mr. Deans: You would believe almost anything.

Mr. Shore: No, I wouldn't believe some of the things you would say, but next to that quite a bit.

Mr. Deans: I said almost anything.

Mr. Shore: As I said earlier, this has been successful in most areas of Ontario and the federal government expects to commit more than 5,000 units in 1977. This will make a substantial contribution, I submit, to removing rental shortages over the coming year.

However, in some areas, such as Toronto apparently, the federal programme will need assistance in replenishing the rental housing market. To ensure that ARP functions as effectively as possible, the Ministry of Housing will provide an Ontario rental construction grant, as we now know, of up to \$600 per unit per year in those areas where the federal programme requires additional support. This new programme should provide starts for more than 3,000 additional units in areas where they are most needed.

On this point, I believe that we're going to have a little expansion, a little more understanding of the details of this, so that the builder and the developer can understand the long-term effects of it. While the government of Ontario recognizes the need for solving the problems of shortages, we cannot accept the argument of the opposition that no termination date should be written into the legislation.

Mr. Deans: Why?

Mr. Shore: The opposition has its argument back to front as they usually do in many other things.

Mr. Swart: You went from front to back.

Mr. Shore: Rent controls act as a negative force in the government's aim to create new housing. It causes shortages, it doesn't eliminate them. This is why additional construction programmes and taxation changes have become necessary.

Mr. Deans: Thirty-four years and now you are moving—maybe.

Mr. Shore: Quite apart from that, there are a number of reasons why it would be unwise to extend The Residential Premises Rent Review Act indefinitely. For one thing, the legislation merely permits the pass-through of cost increases and offsets the possibility of a financial loss to the landlord. In order that rental construction will continue in the future, we must recognize that rental properties have to provide an attractive re-

turn on capital comparative to that of an alternative investment. Otherwise we can sit in this Legislature and give the great speeches that are given on that side—

Mr. Ferrier: Not many great speeches coming from your side.

Mr. Shore: —but the builders will be unable to find investors willing to purchase rental structures and will have little incentive to construct additional units.

Mr. Deans: The rent controls don't have anything to do with that.

Mr. Deputy Speaker: I will recognize the member for Wentworth next.

Mr. Shore: By establishing rent controls indefinitely — and I stress indefinitely — we could in effect be giving the private construction industry notice. We could be giving them notice and we don't want to do that; we don't want to do it because of the health of the tenants in this province. We could potentially be giving them notice to divert resources toward construction of non-rental units, thereby creating an indefinite shortage of rental accommodation that could only become worse year by year. When will the members opposite wake up? I don't know.

It is essential that the rent review programme harness rather than discourage the private sector. There is no solution in replacing private industry with government involvement in the construction of rental units, both from a capital nature and from an operational nature. Even their own critic, formerly, who is either being demoted or promoted—I can't quite figure yet—has stated clearly that the operational costs of governments are upwards of 20 per cent higher. Private builders say they can build and manage rental units for 15 to 20 per cent less. I believe it, and the experience of public corporations in the past bears this out.

Mr. Deans: How come Jack Horner did so much better than you?

Mr. Shore: We must remember too that it is necessary to maintain a healthy public debate over the provisions and the desirability of the rent review programme. This has always been a government that is open to new ideas and possibilities, one that has never been shackled by ideologies or doctrines. But if we were to make rent review permanent, as many opposite would like us to do, we would be stifling that debate and diminishing the likelihood that alternative and better proposals for housing policy would emerge. I

would like to believe we do not want that to happen.

I would like to respond briefly to one more criticism that has been made of rent review programming—that it is causing a great problem. I don't want to go into this in great detail, but it seems to me that while I support strongly the continuance of this programme for the time being, we must do everything possible to make sure that its administration is improved and at least try to reflect some form of consistency across the province.

Mr. Deputy Speaker: The member for Downsview.

Mr. di Santo: Some pounding, please.

[Applause]

Mr. Deans: Is that enough?

Mr. di Santo: Okay. Mr. Speaker, after the contribution of the member for London North—

Mr. Shore: Just say you support what I said and you'll be all right.

Mr. di Santo: —half facetious, or pitiful I should say, I would like to rise and support the continuation of the rent review legislation. I think this is a necessity in the province of Ontario at this time, and not because I am dogmatic, but because I don't know how long we are going to be in this situation. I really don't understand the Tory members, the minister and the other members from the government benches, who are speaking on this bill. We are in this situation because the private sector was unable to respond to the needs of the people of the province of Ontario; it was unable to supply enough accommodation to the tenants so that, two years ago, they were objectively in a situation where they were gouged by landlords. That was the objective situation we were in two years ago because the private sector was unable to respond to the needs of those people and that is why we were forced to introduce this legislation. There is nothing dogmatic on this side.

We don't think there has to be rent review or rent control legislation like this forever. On the contrary, we think that everyone in our society is entitled to have housing because we think that houses are a social right and not a privilege. It's because the Tory government, in 34 years, has been unable to promote the kind of economic development in the housing sector where people could afford a house, that many people today

are forced to go into rental accommodation. Since there is not enough rental accommodation for all those people who cannot afford a house, we were forced into a situation where we had to introduce this rent control legislation. It was not because it's our choice; it was because of the failure of Tory policies over 34 years.

Hon. Mr. Handleman: Is that why all the provinces have it?

Mr. di Santo: We are talking about this province and the results of 34 years of Tory government. I don't care what happens in Rhodesia or North Korea—

Hon. Mr. Handleman: Why does Manitoba have it?

Mr. Shore: What about Saskatchewan?

Mr. di Santo: We are here in Ontario and we are suffering. There are thousands of people, not only in my riding—I don't want to be parochial—but 50 per cent of the population in Metropolitan Toronto, who cannot afford a house any more. Not because of us, because we have never been the government of this province; the Tories have been the bloody government of the province of Ontario for the last 34 years.

Today we are faced with this situation and the Tories are trying to justify it. I'm really shocked when the member for Scarborough East (Mrs. Birch) stands up in her place—

Mr. Drea: Don't you point at me.

Mr. di Santo: Not the member for Scarborough Centre, of course.

Mr. Ferrier: Only you are allowed to point, Frank.

Mr. di Santo: I'm shocked when the member for Scarborough East stands as a defender of the rights of the tenants when we know what happened before introducing this legislation. We also know what happened last summer when the Minister of Consumer and Commercial Relations was against extending this legislation; and the Solicitor General (Mr. MacBeth), on the contrary, was maintaining that this legislation should be extended. It probably was because of the different constituencies they represent.

Hon. Mr. Handleman: I've got more renters than he's got.

[9:45]

Mr. di Santo: I would also like to say that there is a reason why we think the rent increase at this point should be comparable to the increase in the wages allowed by the Anti-Inflation Board. The reason is that this government immediately endorsed the anti-inflation programme for reasons that have been discussed during the Throne Speech debate and we think that we cannot afford any more that this government can introduce legislation calling for excessive increases in items which are not regulated by the Anti-Inflation Board—like hydro, which last year was increased by 30 per cent—can increase rents by eight per cent and then the workers of this province because of the anti-inflation legislation can only get a six per cent increase.

I think there has to be a rationale in the economy of the province. If this government is not able to produce enough rental accommodation; if this government is unable to produce enough houses for the people of this province, at least the workers of this province should have the right of paying only as much as they get because of the anti-inflation legislation.

I think we will not solve this problem in 1978. We will not solve this problem in 1979, because there is no way that we will have enough rental accommodation in this province. Just one or two weeks ago, the Minister of Housing, in announcing his grand plan, said, if I am not wrong, the incentive for the new rental accommodation will be \$600 for a unit.

Mr. Haggerty: Right on.

Mr. di Santo: It was calculated that we will have 3,000 units in the whole province, while one year ago it was said from the government benches that we need at least 10,000 rental units every year. If that is the case, Mr. Speaker, you will realize that there is no way that the pressure on rents will decrease, because the market is just unable to supply enough accommodation to meet the demands of the tenants.

For this reason, I support the legislation because I think that it is necessary. I think, though, that the increase allowed should be within six per cent, because that is not only what the Anti-Inflation Board allows, but will slow down the inflationary spiral that is still here, according to what the Treasurer of the province (Mr. McKeough) said the other night in the presentation of his budget.

Hon. Mr. Rhodes: First of all, I would like to comment just briefly on some of the remarks I just heard from the hon. member

for Downsview. He made one of the most accurate statements that I think he has probably made since he came into this Legislature and I quote him: "We will not solve this problem in 1978 or 1979." Absolutely correct. That member and his caucus will never have the opportunity to solve this problem—

Mr. di Santo: No, never; you will not solve it.

Hon. Mr. Rhodes: —in 1978, 1979, 1980, 1981 or 2000 plus.

Mr. Moffatt: Five years before you solve it.

Hon. Mr. Rhodes: So I can assure the member that that is the first accurate statement he's made since he came into this Legislature.

Secondly, the hon. member for Downsview stands up and says that I announced a programme the other day in which I've indicated 3,000 units. The hon. member has obviously taken a leaf from his leader's book. That is you fool around with the numbers, you play around.

As I said one time not too long ago, what those people do over there is approach this whole situation as if they were at a buffet lunch. They go along taking all the things off that they think suit them, then pile up on the plate more than they really need and then they want to pick somebody else's pocket to pay for it when they get to the end of the line.

If they had taken the time to read the material that was presented to them, they would have found that under the assisted rental programme now being carried out by the federal government in this province, 5,000 units are expected to be built this year—under the assisted rental programme.

Mr. di Santo: You take credit for what the federal government is doing.

Hon. Mr. Rhodes: I kept those figures as low as possible because I feel there's no point in trying to inflate the figures. I said by new programme should provide for 3,000 more units and I said most of those will be in Metro. That for the member's benefit, in case his math isn't as good as it should be, is 8,000 units. Add to that the number of units that will be built for rental by the private sector, add to that the number of rental units to be provided by Ontario Housing—

Mr. di Santo: Do not take credit for the federal programme.

Hon. Mr. Rhodes: Sit down, I'm talking. Sit down, you're out of order. Add to that the number of units that Ontario Housing will put onto it, and the member has his 10,000 to 12,000 units.

So start counting more than just fingers. Start paying attention to what's going on and quit fooling around picking numbers out of a paper. Pay attention to what you think you're doing.

Now we'll come back to the principle of the bill. I don't think there's any question on either side of the House that the rent review legislation has accomplished what we hoped it would accomplish, and that the rent review legislation is here before this House so that we can continue the programme.

We think we have accomplished holding rent increases at a reasonable level over this past year. If we haven't done that, then, of course, I must say that the hon. members in this Legislature now, plus those who are not gracing us with their presence, joined with us in supporting the legislation as it now exists. That's what happened; the legislation is there. The New Democratic Party would like very much to have everybody believe it is responsible for rent review legislation.

Mr. Kerrio: That's not true, we are.

Hon. Mr. Rhodes: That is not correct. This Legislature is responsible. The bill was brought here, it was debated, it was abused a little by some ridiculous amendments, but basically it was this Legislature that brought in the legislation. Don't try and take any credit for anything. They haven't got the ability to bring in anything that will stick in this Legislature—and they know it.

Mr. Deans: I think we have stuck in your craw a few times.

Hon. Mr. Rhodes: We are attempting to bring this new legislation in for the purpose of continuing the programme as has been agreed by all three parties. Speeches have been made here and it was agreed by all three parties that it should be temporary. The leader of the New Democratic Party has said it should be temporary legislation. That's what we've got—legislation that will be continuing for another year and, hopefully, within that year we can see an easing of the shortage of rental accommodation in this province.

I don't come from the metropolitan area, but I recognize that it's here in this part of the province where the real problem is. That's what we're hoping to be able to resolve by programmes that will provide more rental

accommodation. Hopefully, that can be accomplished. I am not going to take the tack that has been presented to me by members of the New Democratic Party, in discussions I've had with them publicly and privately, that all of the housing in this province should be built by the government.

Interjections.

Hon. Mr. Rhodes: That's ridiculous. That's the position they have taken all the way along. They would like nothing better than to see the private sector say, "We're not going to build any more housing." They'd love to see that, because then they would come back—and they've done it here to me already—beat me over the head and say, "The private sector won't do it, the government has to do it." That's their whole philosophy.

Mr. Grossman: The same old stuff.

Hon. Mr. Rhodes: Someone said we have rent review and not rent control. That's right. But if they had their way they would have rent control. They would have control of everything. They would control every aspect of the economy, because that's the whole philosophy they live by.

Mr. di Santo: Come on, that's nonsense. Sit down.

Mr. Grossman: Check out your leader over there.

Mr. Ruston: You want to control all the farmers over there.

Hon. Mr. Rhodes: We're not going to do that. We have a real belief that the builders of this province, the people who are capable of building the rental accommodation in the private sector, will in fact build, but they have to have an atmosphere in which they feel they can build and can recognize and can realize that they are going to be able to make a reasonable return on their investment.

Mr. Shore: Do you understand that?

Hon. Mr. Rhodes: The NDP members should go and talk to some of these builders—if they have the nerve, considering the position some of them have taken—go and talk to them and ask them what return they are getting on investments. Go and talk to some of the landlords who are now trying to make a living out of buildings they buy.

Mr. Bain: I think Cadillac-Fairview is doing all right.

Mr. Germa: How about Ronto Development?

Hon. Mr. Rhodes: Ah, Mr. Speaker, I was waiting for someone to grab that hook, and the member for Sudbury grabbed it.

Mr. Deputy Speaker: That's not a principle in this bill.

Hon. Mr. Rhodes: Absolutely no principle in anything he said, you're right.

Mr. Deputy Speaker: He hasn't got the floor; you have.

Hon. Mr. Rhodes: I'll go on, sir. I'll bow to your order. But you're absolutely correct, there's nothing principled in what he had to say.

Mr. Kerrio: That's not fair—

Hon. Mr. Rhodes: We would like to continue with this legislation as it has been presented, because we believe that over the next year, with the efforts of the private sector, with the continuing of the programmes that are going to be needed by Ontario Housing, with the units that will be built through the combination of the programmes between this province and Central Mortgage and Housing Corporation, we will be able to provide more and more rental units, primarily here in the Metro area but as well throughout the whole province, to get vacancy rates in the various communities so that rent review will not be necessary.

We don't believe we should put rent review in as a permanent piece of legislation. I don't believe that. I would like to think my friends in the Liberal Party don't believe that either. I think most of the forward-thinking, not-too-far-left members of the New Democratic Party think the same way as well.

Mr. Shore: All two of them, whoever they are.

Hon. Mr. Rhodes: I believe we can go along and carry out our programmes and provide the necessary accommodation.

Mr. di Santo: You created the mess.

Hon. Mr. Rhodes: I want to commend the member for Armourdale. I'm sorry he's not here. The member for Oakwood pointed a finger at him and said he's a free enterpriser. I commend him for admitting he's a free enterpriser because it's the free enterprisers who've made this province work for many years.

Mr. di Santo: Oh, come on!

Hon. Mr. Rhodes: It sure hasn't been that socialistic approach that you guys have been taking.

Hon. Mr. Handleman: You are the best housed people in the world.

Hon. Mr. Rhodes: That's what has been making it work. Right now, we have our AHOP programme in place and providing housing for people with low and medium incomes. The grant programme that we've started to provide rental accommodation can deliver, provided those investors and those builders can have some confidence they'll be able to get that reasonable return. They're going to watch with interest what we do with this legislation. But if some members opposite are determined to keep them out of the market and not build those units, then let them just carry on with the way some of them have been talking about six per cent increases. That's ridiculous.

Mr. di Santo: You are determined. Don't say we are determined.

Hon. Mr. Rhodes: We've taken off the land transfer tax. That's going to help provide more units in this community and in this province. I say to members that the basic bill that's before them for approval tonight is a good piece of legislation and that it should receive the endorsement of this House. Let's get on, get it into place and move on to other matters of importance to be discussed here in this Legislature.

Mr. Deans: I hadn't really intended to participate in this debate.

Mr. Shore: I can't believe that.

Mr. Deans: I had thought earlier that the debate was going to terminate early in the evening and we were going to go on to other legislation. But since the debate now has dragged on for some considerable time, I thought it might be worthwhile to put some comments on the record with regard to views I've held for some time about the rent control legislation we're now debating again.

I want to bring to your mind, Mr. Speaker, the fact that over a number of years—10 to my reckoning and perhaps you can remember even other times prior to your and my coming into the House—we had placed before the government problems that were evident and emerging in the rental accommodation field. I can recall distinctly on a number of occasions over the 10 years from 1967 to 1977 we pointed out to the government that there were evidences that rents were rising out of the normal range that might be acceptable to the majority of people and that we needed rent review legislation to allow for a reason-

able review of rents in order to ensure that we didn't have to end up with rent controls.

It has been evident since 1967, in all fairness to the minister, that there has been a general slowdown, or perhaps to put it another way, the number of rental units being constructed in the province of Ontario hasn't been keeping pace with the need. It hasn't been keeping pace with the need for a number of reasons. One of the reasons is that people who up until 1967 had been able to look forward to and save for and acquire a home of their own were no longer able to because of the inadequate policies of this government. People who might have been going into the purchasing of accommodation in the years 1967 through 1977 were being left in the rental marketplace.

I've got to say to the Minister of Housing, who just finished speaking, that much of what he has said is absolute nonsense.

Interjection.

Mr. Deputy Speaker: Will the member for Essex South stop hollering across the chamber. That's not permitted.

[10:00]

Mr. Deans: Show a little decorum. To use the words of the Treasurer (Mr. McKeough), I've come to the conclusion that the ministers involved in this debate—the Minister of Consumer and Commercial Relations and the Minister of Housing—just don't understand what's happening in the province of Ontario. I get the claim from the Minister of Housing that we in the NDP believe all housing should be built in the public sector.

Hon. Mr. Rhodes: I can read it back to you.

Mr. Deans: I want to tell the House what we believe.

Mr. Shore: You mean this week.

Mr. Deans: Incidentally, why did you do so badly? Jack Horner did so much better than you.

Mr. Shore: I know; he's a smarter guy. What am I going to do?

Mr. Deans: I don't know. Don't you feel a little embarrassed?

Hon. Mr. Rhodes: How about the principle of the bill?

Mr. Shore: He is a better negotiator.

Mr. Deans: In any event, we believe that accommodation can't be left simply to the

whims of people investing money. It can't be left to that. Accommodation for people is a basic right—not only accommodation, but accommodation at a price they can afford.

What has happened in the province of Ontario, because of the non-policies of this government in the housing field, and because it hasn't been able to cope with the rising costs, and because there was little if anything done in the area of ensuring mortgage interest rates at prices that could be afforded—because these things weren't happening across the whole country, but in particular in this jurisdiction—we found that more and more people were being pushed out of the purchase market into the rental market.

That meant the province of Ontario should have been—and this won't come as news to the members—in the business of providing rental accommodation many years ago in a far greater way than it was. There should have been a concerted effort made to ensure for those people who couldn't afford to pay what might be considered the economic rent to guarantee the investor an adequate return on his or her investment, that there had to be alternative accommodation in sufficient quantity to meet the needs of those people. That wasn't done in the province of Ontario.

There are, at this point, tens of thousands of elderly living in accommodations for which they are paying far more out of their meager incomes than their incomes can afford. And the province doesn't move with any meaningful purpose to try to ensure that there are either accommodations for them at a price they can afford or, on the other hand, a subsidy for the rents that will enable them to live in the accommodations they are in. That is the first problem.

The second problem is that there are any number of people, who can be easily identified, who fall into the category of being low-middle and low income earners. They go out to work every day like you and me. They work hard for their livings. They don't earn enough, though, to get into the marketplace and pay again the economic rent that was required by investors in order to ensure what they thought was an adequate return on their investment. Yet the province of Ontario was unable—or unwilling, I suspect, rather than unable—to move swiftly into the provision of accommodation for those people.

So when we found that as this province failed to provide that accommodation; failed to take the necessary steps from 1967 through 1975 to ensure that land prices didn't continue to escalate unreasonably; failed to build or to enter into the building field; failed to

provide the kinds of mortgage financing at interest rates that were necessary in order to maintain a reasonable level of payment for most people—when we found those things weren't happening, we were faced with situations where the average family was having to pay out far more of its disposable income for accommodation than it could reasonably afford.

In Metropolitan Toronto it was clearly evident three years ago that there was, to use a rather nasty term, rent gouging taking place. It wasn't a matter of an economic return. It wasn't a matter of guaranteeing a reasonable profit level. There were people in the market who were prepared to take everything they could get without any consideration for the capacity of the individuals living there to meet their obligations, not only for accommodation but for all the other things that make life bearable and worth living.

I think that is what we were faced with in the province of Ontario, and in particular in metropolitan areas, Toronto being the worst example. Here we were with people who were gouging—plain ordinary gouging; who were taking far more from the individual renters than was reasonable. We were forced to rent controls.

Hon. Mr. Rhodes: Why do you say rent controls?

Mr. Deans: I say rent controls because that is what they are. Let's not kid ourselves. They are rent controls. The government is controlling rents.

We were forced to rent controls. We needn't have been forced to rent controls if the government had had an adequate housing policy; but it didn't. So the government was dragged kicking and screaming into rent controls in the province of Ontario. It didn't want them. If the Tories had had a majority government they would never have been there. The government brought them in because it knew the results of the last election were at least to some extent influenced by the people who said they were being taken unfair advantage of by certain landlords in the province.

I say certain landlords because I recognize, as everyone else recognizes, that not every landlord in the province gouges. There are any number of landlords who own small apartments, even some who own large apartments, who have a social conscience. There are landlords who are prepared to recognize the problems that confront the tenants of their buildings, and they do deal fairly. Those are the landlords, incidentally, whose tenants

never complain to the members, whose tenants never go before the rent review boards, whose tenants are satisfied they are being dealt with in a reasonable and fair way.

Rent controls didn't hurt those landlords one single bit—not one bit. Not a single one of those landlords felt any undue pressure as the result of having had rent controls brought in. There are a lot of landlords in the province of Ontario, many of them small—I don't mean small in stature but small in the numbers of buildings they own or in the types of buildings they own—who didn't need rent control in order to live up to their obligations, and to recognize what was a fair return on their investment.

But just as there are a large number who fall into that category, there were, if one were to measure in terms of the numbers of rental units available in the province, an equally large number who had no conscience at all. They cared not one whit for the desperate straits their tenants were being placed in, and were prepared to take out of the marketplace every single cent they could get, whether it was justified or otherwise. And they are still around.

They are the landlords who today are before the rent review appeals system trying to get more. They are the landlords who appear and who place before the Rent Review Board great lists of all the things they do for their tenants—and then when you start to check it, you find that while they've put down sums of money for painting, they never paint. They put down sums of money for maintenance of the building; they maintain the building hardly at all. They charge in excess. What they put before the rent review officer and subsequently, in almost every case, before the Rent Review Board, are extravagant guesses about their expected costs.

I find it most offensive when I look at it, when I appear before a rent review officer, as I have done on numerous occasions, and I find the landlord is placing before the rent review officer statements that are false—phoney statements that don't bear any relationship to the way they deal with their tenants or to the way they maintain their buildings.

I wonder at times if part of the fault for that doesn't rest directly with this minister, because every time he stood up and said he didn't like rent review or rent controls, that he was not going to extend it, that he thought it was unfair to the landlords, that he was going to quit if it was continued—every time

he did that he shored up all the cheap ones, all the ones who were prepared to take advantage of people. He gave them the opportunity to feel secure in the knowledge that the government supported what they were doing, even though it may not have.

I think that is where the problem lay, it was an attitude of landlords that they didn't want to be controlled. Of course, they didn't want to be controlled. Many of them were taking such advantage that they didn't want to lose the massive profits they were taking out of the buildings they had.

Mr. Reid: They weren't all taking massive profits.

Mr. Deans: If the member had been here a moment ago he would have understood that I explained that. It's too bad he doesn't sit and listen to these things.

Mr. Reid: Anybody who can sit and listen to you has got a better stomach than I have, I must say.

Mr. Deans: Yes, but perhaps not bigger.

Mr. Reid: Not bigger, but stronger.

Mr. Acting Speaker: Order, please.

Mr. Reid: I bow to you, Mr. Speaker.

Mr. Deans: The difficulties of tenants, though, are far greater than the difficulties of landlords in these situations. To begin with, we hear the former Liberal member for London North, and also the Minister of Housing, talking about how this holds down investment in rental accommodation. They seem to forget that new development doesn't fall under the Act.

Mr. Shore: You'll never understand, you know that?

Mr. Deans: New development doesn't fall under the Act.

Mr. Shore: You could look in the mirror forever and still not understand.

Mr. Deans: Those people who are investing—

Mr. Shore: Hopeless.

Mr. Deans: —know full well that they are going to be able to charge whatever it is that they require in order to recover their investment. Either that or the government is going to go back to the system that says that the person who has owned a building for 30 years and has paid it off a long time ago and who owes absolutely nothing on it is entitled

to get in return for that the same as the person who has invested most recently and who has a large mortgage at large interest rates.

The member can't tell me that that would be fair and he surely doesn't expect that.

Mr. Shore: Do you know what indexing means in pensions? Do you know this?

Mr. Deans: Oh, yes, I know what indexing means.

Mr. Shore: I don't think you do.

Mr. Deans: The government is just about to try to eliminate indexing in pensions. I know exactly what it means.

Hon. Mr. Handleman: You're not saying that if you paid \$20,000 for a house 20 years ago, that you'd only get \$20,000 today?

Mr. Deans: I'm going to tell the government something. If it had taken care of land costs as it should have, if it had been in the housing market as it ought to have been, if it hadn't taken the position taken by Stanley Randall and others who are in the gallery, if it hadn't taken the position—

Mr. Grossman: Oh, that's not fair.

Mr. Deans: —that it didn't want to enter into competition with the private developer—

Mr. Grossman: You'd better get into this, Stanley.

Mr. Deans: —if it had taken the position that it was prepared to use the land of the province as a lever against ever-increasing prices in order to hold prices down on a level that people could afford, then the minister wouldn't be asking me that question. Because the prices wouldn't have gone up—

Mr. Kennedy: You would have the government own every house in the province.

Mr. Deans: —by leaps and bounds as they did over the 10-year period that I'm talking about.

Mr. Drea: And the member for Beaches wouldn't have made thousands on a fast sale.

Mr. Deans: There was a period in time not so many years ago when the appreciation of land values and the appreciation of real estate was nominal.

Mr. Drea: Wait until the member for Scarborough West (Mr. Lewis) reveals how much he made.

Mr. Deans: It rose, but it didn't rise in the way that it rose over the last few years. The reason it rose over the last few years is because this government helped to shore up the land speculators in the province by charging to the public for the land that it had purchased years before at much reduced costs. It charged at the very same level as the speculators were charging in the marketplace. It worked hand in hand with them in order to shore up their greed. That was in spite of the fact that these matters were brought to its attention time after time, year after year.

And so the reason we're faced with such exorbitantly high costs today is directly related to the fact that the government was not prepared to take the necessary action over that 10-year period—

Mr. Shore: What bill is he speaking on, Mr. Speaker?

Mr. Acting Speaker: The same one you spoke on.

Mr. Deans: —in order to maintain the costs at a level that people could afford. In the same time, it forced families into the situation where they had to become two-income families. Now the budget's beginning to try to move away from that position. How in heaven's name people are ever going to live on one income again in the province is beyond my understanding.

Mr. Shore: Time.

Mr. Grossman: Meanwhile, back on the bill.

Mr. Deans: In any event, to go on, tenants in the province have great difficulty in dealing with this problem. Even though tenants can get the time off work to go up and find out what the landlord has filed, the majority I have to deal with first of all don't fully understand all of the documentation that's provided; and secondly much of what's provided is provided in the kind of language that it requires legal advice in order to understand or at the very least accounting advice.

So the majority of tenants are going on instinct. Their instincts tell them that the increase that's being asked is somehow out of line with what they understand the rising costs to be. The landlord then appears before the review board, and you find that he is then able to make changes in his submissions. And of course when the tenant—

Mr. Drea: Mr. Speaker, perhaps there might be some order in the second row.

Mr. di Santo: Frank, you're right.

Mr. Acting Speaker: The member may continue.

Mr. Deans: Thank you, I was just having a drink. When the tenant then appears before the review board, the tenant is faced with figures that are somewhat different from the figures that were filed with the review board in the first place. If, as and when the landlord is questioned, either by the review officer or by someone from among the tenants or by someone representing the tenants, you find that in fact the information that is being sought is very difficult to obtain.

[10:15]

For example, when I'm appearing before the review board, how can I tell whether the landlord does maintain his building adequately? How can I tell whether his maintenance costs are real? How can I tell whether the landlord does have to recaulk all of the windows in his apartment building this year because it hasn't been done for five years? How am I going to know that? How can I tell whether the price that he attaches to that is a reasonable price?

How would I know whether the landlord has to do substantial maintenance to the heating plant? How could I tell whether the landlord provides janitorial service and what the cost of it is? There is no way. He can file and say that's what it costs or that's what the projected cost will be, or these are the capital projects he intends to undertake. But there's very little opportunity for anyone appearing to either verify or dispute what's being placed before the review officer.

I don't deny that the review officer himself, or herself, can then go away to some secluded spot and, if he or she so wishes, require the landlord to produce evidence. He or she could, I suppose, go and look at the building and could, I imagine, ask to be shown the bills of five years ago if they were still available. But they don't do it.

Hon. Mr. Handleman: Yes, they do.

Mr. Deans: Oh no, they don't. The reason I say they don't is that if they did it, then how could there be a reasonable explanation for the difference between the rent levels set by the review officer on the one hand and the substantially increased rent levels that have been set in so many instances by the review board on the other hand? If the review officers do all the things the minister

says they do, then it wouldn't be possible for the landlord taking the same basic information to the appeal board to obtain such an extravagant change.

Hon. Mr. Handleman: A hearing de novo.

Mr. Deans: Right. I understand that. But when it's a new hearing, how can two people hearing basically the same information come to such substantially different opinions?

Hon. Mr. Handleman: It's not the same.

Mr. Deans: But it must be the same. If the landlord, on the one hand, produces a great list of all of the costs attendant on maintaining that building and paying it off, then surely he can't be able to produce additional figures.

Let's say the landlord comes in and says: "My mortgage is X dollars at a certain interest rate over an amortization period of so many years. My maintenance last year was X dollars; I anticipate undertaking certain capital repairs in the forthcoming year, and I have estimates to show that this will be the cost. My heating last year was such and such, and I now have evidence to show that my heating costs will rise by a certain sum." And on and on they go, right down to the bottom line. He adds it up, divides it out and comes up with a figure. How then can that selfsame landlord take an entirely different set of figures to an appeal board? Somewhere along the way there is something phoney about this whole thing.

Hon. Mr. Handleman: No.

Mr. Deans: I'll tell the minister how it's phoney—and I told him the last time I spoke on it.

I had an instance — and I've seen others since where I went to see the ministry's appeal people; the landlord in this instance had imposed a rent increase that was appealed. The decision was given and the landlord then appealed to the board. The board came to a considerably different conclusion than the review officer. In fact, the board granted every single cent that had been asked for in the first instance by the landlord. The man who hadn't been able to attend the second hearing because he was on vacation—I've told the minister this before—came to me and said: "I don't understand that. I went to the first hearing. The review officer had placed before him all of the information with regard to the mortgage and all of the other attendant costs, and the review officer came to the decision that"—for the sake of argument—" \$190 was the ap-

propriate amount." You will forgive me, Mr. Speaker, the figure may not be absolutely correct, but for the sake of this argument, let us say \$190. "The landlord on appealing to the review board was granted \$240." I wrote to the review board and said: "I wonder if you would be good enough to provide me with the basis upon which your decision was reached?" That's all.

Mr. Reid: They couldn't give you an answer.

Mr. Deans: I got an answer. Do you know what the answer was? The man received another notice with a substantial reduction. Damn it all, if that's the way the system works, it's inadequate and it's phoney. How can it be that after a letter from me—and I didn't even get the information I asked for—the man received a second notice from the review board telling him that his increase was less than they had originally determined. That speaks volumes.

Mr. Reid: That is not one that made sense.

Mr. Deans: That speaks volumes about the process and tells a long and bitter story about the way this thing has been working.

Mr. Reid: Ask him where he got the people to administer the programme.

Mr. Deans: I don't know as much of Toronto as I do of Hamilton, but I am going to tell you, Mr. Speaker, in almost every instance that I am aware of—I say almost, although I could say every instance I am aware of but I just can't be absolutely sure that's true, but certainly in almost every instance I am aware of—in spite of whatever it was the original review officer decided, on appeal to the board, the amount granted was substantially more than the original decision.

Mr. Reid: Because the tenants didn't have time to go back.

Mr. Deans: I am not talking about marginally more. I could understand there might be some difference.

Mr. Grossman: And therefore.

Mr. Deans: But it was substantially more. Okay, and therefore it makes a mockery of the first hearing. The landlord simply was feeling out what he could get without presenting adequate information, or the information that was provided was adequate but the review officer didn't do his or her work properly or the review board is biased in favour of landlords.

Mr. Grossman: Do you want examples the other way?

Mr. Deans: I am talking about the cases I am aware of in the city of Hamilton.

Hon. Mr. Handleman: There were thousands which went the other way.

Mr. Deans: If the member for St. Andrew-St. Patrick would like to rise at some other time and explain his experiences, I would be quite happy to listen to them.

Mr. Grossman: I helped tenants and they were more successful.

Mr. Deans: I helped tenants and mine have been marginally successful. But I am not going to get into an argument with you over whether you do a better job. It may be that in your capacity as a lawyer, you can charge more. I don't know.

Mr. Grossman: I didn't charge anything and I did best.

Mr. Deans: How do you know?

Mr. Grossman: You have admitted your marginal success.

Mr. Deputy Speaker: The member for Wentworth will ignore the interjections and speak to me.

Mr. Deans: What would you like me to talk to you about?

Mr. Deputy Speaker: The principle of Bill 28.

Mr. Deans: In any event, Mr. Speaker, since you and I are going to talk about it, I just want you to know that, incidentally, while this may not be a problem up in your area—I suppose it could be, but it is not likely to be—in my area what I have found is that there is something terribly wrong with the system. There is something wrong with that. Truthfully, I don't understand—

Mr. Reid: Neither do the rent review officers, that's the problem.

Mr. Deans: —how there could be such a disparity in the decisions made by the various officers at the various levels, given that they are supposed to present all of the evidence and the evidence is intended and supposed to be factual. That's what my argument with it has been all along. The minister says he wants to maintain it at eight per cent.

Hon. Mr. Handleman: Take a look at the Act.

Mr. Deans: No. I said the minister has said that he wants to maintain it at eight per cent.

Hon. Mr. Handleman: I said I have no information that indicates it should be less.

Mr. Reid: Has the minister got information that indicates it should be eight per cent?

Mr. Deans: If the minister says to me he has no information to indicate it should be less than eight per cent, I have got to assume that he is going to maintain it at at least eight per cent. Is that reasonable?

Hon. Mr. Handleman: Yes; I have given it to you.

Mr. Deans: Thank you. I thought it was myself. Anyway, I then assume that the minister is going to maintain it at at least eight per cent—maybe nine or 10 per cent.

Hon. Mr. Handleman: It can't be, under the Act.

Mr. Deans: Oh, I see. So it will be at least eight per cent, okay?

Hon. Mr. Handleman: Not more than eight.

Mr. Deans: Not more than eight.

Hon. Mr. Handleman: Right, there's a difference.

Mr. Deans: Maybe you could help me—will it be less?

Hon. Mr. Handleman: Could be.

Mr. Deans: Are you prepared to recommend six? Do I hear six—once?

Mr. Deputy Speaker: This isn't a question and answer period.

Mr. Deans: I'm just curious. I just want to know.

Mr. Germa: How low can you go?

Mr. Deans: The truth of it is that you and I, Mr. Speaker, both know that the Anti-Inflation Board regulations that govern all of us, in spite of the better judgement of some of us, have set the six per cent level. I assume there's no productivity factor in rents—I'm assuming there's no productivity factor. So, therefore, the six per cent level would appear to be the appropriate level to establish as the minimum, because that's what it is, you know; that's the minimum, in most instances. But, in any event, six per cent seems to me to be more appropriate, since we're all under

the anti-inflation guidelines of the federal government, in any event.

If you don't like six per cent and you think you deserve more, you can always appeal it. Since the landlords have access to all the information in every case, and since the landlords are using the tenants' money to hire lawyers to go into the review board, it makes some sense that we should establish it at a level that is commensurate and, somehow or other, related to the anti-inflation levels established by the Anti-Inflation Board; and also the levels that govern the wage increases of the majority of people across the province—excluding members of the Legislature, of course.

I just think that if the government is going to be honest with the tenants in the province of Ontario, and I know it wants to be, then it should say it is prepared to accept the Anti-Inflation Board guidelines at six per cent, and say that that is what it is going to establish. It is going to do it for the very good reason that that's what is set out in the anti-inflation legislation for this coming year.

That's a good figure. It may, in fact, turn out that on the basis of all the information, once it's gathered, six per cent will be too high. But then the tenants could always appeal that. It may turn out, in a few isolated instances, that six per cent will be too low, and, of course, the landlords can appeal that. But I've got to think that there is as much relevance and sense to the six per cent figure as there would be to seven per cent or eight per cent or ten per cent. In fact, there's more, because there is, at least, the Anti-Inflation Board guideline to fall back on.

So we urge the minister, as many of us have done already, to give very serious thought to establishing that as his figure for the base. I think he would find then that there would be a lot of support for that. I want to say, while talking about it, that I note with interest that the Liberals put forward a position where they seem to be—I'm not absolutely sure what their position is—but they seem to be in support of six per cent. I'm not positive because two have said yes and one has said no—so I'll wait and hear it.

Mr. Grossman: So, what else is new?

Mr. Breithaupt: You'd better read the amendment.

Mr. Deans: But I read it. It says that on April 19 the hon. member for Perth said he will be proposing an amendment that truly relates this bill to the AIB guidelines, and

would reduce the rate of increase to six per cent in October 1977, or at such time as the AIB guidelines are reduced.

I would assume that—given we have to deal with the bill now, and given that we're faced with the possibility, if not the probability, of an election—the Liberal Party would be prepared to support six per cent. I think we should put it in the bill and let you come back if you want to change it.

Mr. Kerrio: It's our amendment, you have got to support it.

Mr. Deans: Mr. Speaker, I wonder if this would be an appropriate time—since I have extensive remaining remarks—for me to adjourn the debate.

On motion by Mr. Deans, the debate was adjourned.

Mr. Kerrio: I'd like to speak to the issue.

Mr. Deputy Speaker: The time has expired. The debate is adjourned.

Hon. Mr. Handleman: Before the motion to adjourn the House, Mr. Speaker, I wonder if I could just announce what the House leader told me about the business of the House tomorrow. I understand we will be proceeding with second reading of Bill 31, following question period.

Mr. Deputy Speaker: Since we do have a late show under standing order 28(a), a motion to adjourn is deemed to have been made, and I now recognize the hon. member for Welland-Thorold for up to five minutes.

[10:30]

NIAGARA REGION OFFICIAL PLAN

Mr. Swart: Mr. Speaker, I'm glad to see the Minister of Housing come in, because he made decisions last February on the urban development boundaries of the Niagara region which were nearly meaningless in preserving the fruit and grape land there. Since then, significant new information on lower projected growth rates have come into his possession which shows the pattern of growth in Niagara will not change at all unless he makes some new moves to reduce those boundaries in the unique land area. To prove this, I want to make three brief points.

First, the pattern of growth in the Niagara region has been a steady increase on to the unique lands until, in the last five years, 80 to 85 per cent of the development has taken place there. These unique lands com-

prise only about one-quarter to one-fifth of the land in the Niagara region, but they do include north Thorold and north Niagara Falls and I suggest we can't leave out north Thorold and north Niagara Falls. They're class 1 and 2 lands.

The research at Brights Wines found the soil immediately above the Escarpment in these municipalities had deeper topsoil and better air drainage than grape land below the Escarpment in the Niagara-on-the-Lake area. Two grape kings are located in this area of Thorold, yet the minister is prepared to allow unlimited development on this land which can grow grapes and a wide variety of crops in great volume and quantity. So I repeat that 80 to 85 per cent of the growth in the whole Niagara region is now taking place on the unique lands below the Escarpment and immediately above it. That's the trend and the regional planners' figures confirm that trend.

Secondly, I want to point out that the urban boundaries are significant, because urban boundary limitation on the unique land is the only technique in the whole official plan of Niagara region for shifting growth on to the poor lands in the Peninsula to change the trend. There are no servicing plans to service the poor land first. There is no public land development on the poor lands to provide lots at a cheaper price and there's no phasing of any kind, in fact, for shifting growth.

The minister recognizes that, because in his letter of February 16, which he sent to the Niagara region, he said: "We would like to suggest that the region actively consider a strategy for redirecting urban growth south of the Escarpment." This means that either the urban development boundaries on the prime unique lands are pulled in tight enough and firm enough so that a large proportion of the growth can't go there or there is, in fact, no preservation because there's no other way of preserving it.

I come to my third point, which is this: The urban boundaries which the minister has approved on the unique lands are so extensive that they won't change that pattern one whit. The growth can go on in the same old way. Let me prove that assertion, using exclusively the Niagara region's own report, the DPD 750, 916 and 917, and the report of Peter Barnard Associates, a report which was commissioned by his ministry and reported to him in late February or early March.

There are now still 23,000 acres within the Niagara region urban development boundaries. Niagara region says 11,000 of this is

unique and class 1 and 2 land, most of that 11,000 being unique. Barnard says only 8,000 acres will be needed for housing in the Niagara region by 1996. Maximum land for all purposes will only be 14,500 of the 23,000 that he has put in, and the regional planners basically agree with this projection. They point out that the population growth densities on the land in the northern part of the Peninsula, in St. Catharines and those municipalities down in the area of the unique land, are much higher than in the rest of the Peninsula. So if most of the growth goes into the north, substantially less land than the 14,500 acres will be required.

Extrapolating their land requirement and growth figures, which they say are likely high, we find that almost all the growth, something like 95 per cent can go on the unique and class 1 and 2 land, and 75 to 80 per cent of that can go on the unique land during the next 20 years. I say, what preservation—when we have within those same urban boundaries 12,000 acres of poor land where that growth could be accommodated?

I hope the Minister of Housing will deal tonight with these kinds of statistics and not the phoney comments that he and the Minister of Agriculture and Food (Mr. W. Newman) make that we in the NDP want to freeze all the land.

Mr. Deputy Speaker: The hon. member's time has expired.

Mr. Swart: Thank you, Mr. Speaker. Can I just conclude by saying to the minister that his whole land preservation posturing is a façade and a sham and the Niagara region is the worst.

Mr. Deputy Speaker: The hon. minister has the floor for up to five minutes.

Hon. Mr. Rhodes: Thank you, Mr. Speaker. First of all, I would like to say that I understood this debate tonight was to deal with what the hon. member felt was an inadequate answer to the questions that he asked earlier today in the question period. At no time during that rather disjointed presentation did he even refer to the questions that he placed before me. So in order to place it in a proper perspective, I will respond to the questions that he asked me earlier today.

First of all, there's a basic difference between the hon. member and myself. The basic difference is that I have the responsibility to make the decisions, he does not.

Mr. Swart: Unfortunately.

Hon. Mr. Rhodes: His responsibility, from some of the things he said recently, both quoted in the newspapers and elsewhere—

Mr. Worton: Give it to him, John.

Hon. Mr. Rhodes: —it is very evident that what he would like to see is a total and complete freeze of any development—

Mr. Swart: I knew you would say that.

Hon. Mr. Rhodes: —around certain communities in the Niagara area, primarily St. Catharines for one, and in a very parochial way would like to see the development all funnelled over toward the city of Welland, of which he is a resident and a representative. What he is really doing is attempting to create a real problem because in order to accomplish some of the things he would like to see done, we would end up having to do away with the community of Thorold. I hope the good people of Thorold recognize he is going to be, and could be, solely responsible for Thorold becoming a part of St. Catharines, if amalgamation is forced, and he will have to answer that.

Mr. Bain: Don't you ever answer a question in a straight manner?

Hon. Mr. Rhodes: The hon. member asked me today whether I would confirm here in this House his request—

Mr. Bain: Get back to your radio show.

Hon. Mr. Rhodes: —and the request of others for referrals to the OMB, I will repeat my answer from today—all legitimate requests for referral will, of course, be honoured and they shall in fact be referred to the Ontario Municipal Board.

Mr. Swart: What was the supplementary?

Hon. Mr. Rhodes: He has asked for five areas to be referred. If we have proper documentation from the hon. member—and I trust we will have—then of course those areas will be referred to the Ontario Municipal Board, along with others we have received.

I also say to the hon. member regarding the assessment of that particular area, I think we have done that. I think we have assessed that very carefully and we have made a decision. That decision has been made available to the people who are the local representatives of that area, and I am not going to follow the New Democratic policy of trying to impose my will over and above the will of the people of that area.

Mr. Bain: Tell us about regional municipalities.

Hon. Mr. Rhodes: Of course, I know that is what the hon. member would like to have done. I suggest to him that he take his problems to the Ontario Municipal Board, present his case to the Ontario Municipal Board,

and the only thing I can say for his benefit is I trust he will be able to present a much better case to the OMB that he has here in the House tonight.

Mr. Deputy Speaker: I deem the motion to adjourn to have been carried.

The House adjourned at 10:40 p.m.

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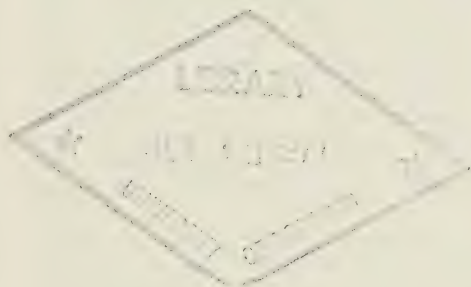
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Fourth Session, 30th Parliament

Friday, April 22, 1977

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, Q.C.

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LEGISLATURE OF ONTARIO

FRIDAY, APRIL 22, 1977

The House met at 10 a.m.

Prayers.

ESTIMATES

Hon. Mr. Wells: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor signed by her own hand.

Mr. Speaker: By her own hand, Pauline M. McGibbon, the Honourable the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1978, and recommends them to the Legislative Assembly, Toronto, April 22, 1977.

STATEMENTS BY THE MINISTRY

HOME BUYERS GRANTS

Hon. Mrs. Scrivener: Today's Globe and Mail article concerning the payment of a home buyers grant to Mrs. Otto Jelinek gives the misleading impression that the ministry was uneven in its treatment of this case and in particular that the Jelineks were inconvenienced because the ministry "had second thoughts" and asked for repayment of the grant after having approved Mrs. Jelinek's application in the first place.

I should like to correct the Globe's story by setting out the relevant details of the chronology of our investigation of Mrs. Jelinek's application and the reasons for disallowing the grant. These are outlined in a letter sent by the Ministry of Revenue's director of legal services to Mrs. Leata Jelinek on December 1, 1976, which reads in part as follows:

"Dear Madam:

"In the summer of 1975 you submitted to this ministry an application for a grant under The Ontario Home Buyers Grant Act, 1975. The application was dated June 25, 1975 and was made with respect to your purchase of a home at RR 2, Carp, Ontario, and contained your signed statement that neither you nor your spouse had previously owned a housing unit that either of you had inhabited

as a principal residence. The grant applied for was paid on the strength of the information provided in the application and the certification made as to the veracity of those statements.

"In the fall of 1975, it came to our attention that your husband had for some time prior to April 8, 1975, owned a proposed condominium unit at 60 Southport Road in the city of Toronto. No reference to this housing unit was made in your application.

"On December 12, 1975, Mr. Charles Calarco of our ministry's special investigation branch interviewed both you and your husband in Ottawa to determine from you the facts concerning the Southport Road unit. The information given to Mr. Calarco by your husband at that time was that the Southport property had not been resided in by your husband as his principal residence, but had been rented out to tenants, and that your husband had used the property only during the election campaigns in 1972 and 1974.

"On the strength of the information we obtained, we concluded that the Southport Road property had not been resided in by your husband as his principal residence and that, therefore, his ownership of that property did not disqualify you from the grant that had been paid to you.

"Although the matter of previous ownership of proposed condominium property, and the matter of residence in such property as a principal residence was under discussion in the interview with Mr. Calarco, no mention was made by either you or your husband of ownership of, or residence in, unit 73, level 1 at 1532A Beaverpond Drive in the regional municipality of Ottawa-Carleton. During our post-audit review of the home buyer grants programme, the existence of, and your husband's interest in, the Beaverpond Drive property came to our attention and has been investigated.

"Our information with respect to this property is as follows:

"1. An agreement of purchase and sale of the Beaverpond Drive property was entered into in October, 1973, by your husband and Home Smith Properties Limited.

"2. Interim closing of the purchase of this proposed condominium unit took place on October 15, 1973, and you and your husband occupied the property together soon thereafter. The purchase price was approximately \$34,000, most of which was provided by your husband's agreement to assume a mortgage on the property.

"3. Since the proposed condominium unit was not registered under The Condominium Act at the time of the interim closing in October, 1973, your husband paid occupation rent to the owners of the proposed unit from November 1, 1973, as provided in the agreement of purchase and sale.

"4. Shortly before your marriage to your husband in 1974, he directed that title to the Beaverpond Drive property be taken in your name.

"5. Shortly after taking possession of the property, disputes arose about repairs to be made. Certain repairs were effected by the developer in January, 1975, and you executed a document indicating that these repairs had been performed.

"6. You and your husband continued to live in the Beaverpond Drive property until some time in May, 1975, when you gave up possession. At about the same time, your husband was negotiating the purchase of the Carp property with respect to which you subsequently applied for a home buyers grant; and

"7. In June, 1975, your husband issued a writ against Home Smith Properties Limited claiming damages for injury to certain of his property kept on the premises during the occupation of them. Section 1A of The Ontario Home Buyers Act, 1975, defines a housing unit to include: 'A proposed unit within the meaning of The Condominium Act and a unit in the building of a co-operative housing corporation.'"

And the next few paragraphs outline further details of the Act, Mr. Speaker. The letter continues:

"On the basis of the foregoing information, your husband, Otto Jelinek, owned, within the context of The Ontario Home Buyers Grant Act, a proposed condominium unit at 1532A Beaverpond Drive prior to April 8, 1975. Had you raised the matter of the Beaverpond Drive property with Mr. Calarco at your interview with him in December, 1975, we would have been able to explain to you your disqualification from entitlement to the grant more fully at that time.

"On behalf of the Ministry of Revenue, I request that you immediately repay to the

province of Ontario the sum of \$1,000 improperly paid to you under The Ontario Home Buyers Grant Act, 1975, and that such payment be made within 10 days from your receipt of this letter. If payment is not made the province will be obliged to take action in the appropriate court to recover the grant improperly paid and applied for."

Interjections.

Mr. Speaker: Order.

Hon. Mrs. Scrivener: "I trust that such action will not be necessary."

To conclude, Mr. Speaker, I think these details clearly demonstrate that the ministry acted properly and as quickly as possible in dealing with this case, once it became aware of Mr. Jelinek's previous ownership of the property at Southport Road, Toronto, and particularly of the Beaver Farm property in Ottawa. Had the Jelineks informed us of their ownership of these properties, the grant would have been denied in the first instance.

Mr. Bullbrook: That's right; you were misled.

Hon. Mrs. Scrivener: Mr. Jelinek came to the ministry on December 15, 1976 and repaid the grant as had been requested in the letter. He stressed that he did not have any intention to defraud the government or to do anything wrong, but only to obtain what he thought he was entitled to.

GROUP HOME PLACEMENTS

Hon. Mr. Norton: Mr. Speaker, I want to inform the House of steps being taken in response to the decision made yesterday in the Supreme Court of Ontario with respect to the placement of juveniles in group homes.

First, let me assure you, Mr. Speaker, that it is a priority of mine, of my ministry and the government, to ensure the continued well-being of children receiving care and treatment in group homes, both in those homes directly affected by the decision and in homes across the province. While the decision may not affect existing orders of the family court, other than those in issue in the specific case, it does raise important questions regarding the placement of children coming before the court.

I have asked the administrators in the municipalities that no precipitous action be taken that would disturb the placement of these children without consultation with officials of my ministry. I requested their co-

operation and commitment to ensure that these children will continue to receive the proper care that they require.

My staff is in the process of setting up a meeting as soon as possible with representatives of the agencies and group homes involved for consultation and discussion. As well, I have been in consultation with the Attorney General (Mr. McMurtry) with regard to the legal implications of the decision.

The decision in the Supreme Court focuses on the issue of funding for the costs of placing juveniles in group homes, a matter that has been of continuing concern to my ministry.

Mrs. Campbell: When does it start?

Hon. Mr. Norton: This concern was reflected in a step announced last week by the Provincial Secretary for Social Development (Mrs. Birch) and myself. That step was a commitment made by this government to reimburse municipalities for 50 per cent of the costs of juveniles in group homes, those committed by the courts, for the fiscal year 1976-77. Moreover, I would reiterate that the decision to create the division for special services for children and youth was made in order to enable the government to deal with such matters effectively in a comprehensive manner.

I will be continuing to deal with this matter, Mr. Speaker, and in the course of doing so I will keep the House informed of the progress.

ORAL QUESTIONS

BENEFITS RATES

Mr. Lewis: May I begin, Mr. Speaker, by asking the Minister of Community and Social Services a question on another matter, reminding him of his driving social conscience to which the press has alluded in previous articles? How does he possibly justify an announced increase of eight per cent to cover literally two years of delay for GWA and FBA recipients, that, is roughly four per cent a year, when he knows that their shelter costs alone in many instances have gone up three and four times that amount; that the cost of living in that period has gone up twice that amount; and that these are the most vulnerable groups and families in the entire province? Why was it necessary to submit to that punishing level at this point in time?

Hon. Mr. Norton: First of all, Mr. Speaker, I would take exception to the implication that this is a punishing level of increase.

Mr. Lewis: It's four per cent.

[10:15]

Hon. Mr. Norton: I would agree that had the resources been available to us that we might well have considered a greater increase in view of the events of the past two years. However, I wish to point out to the hon. Leader of the Opposition that with this increase—and I think it's important to bear in mind that in addition to the specific level of support there are a number of areas in which there is 100 per cent coverage of such essential matters as the medical coverage for the recipients—we do, in fact, pay not only the allotted amount for heating costs, for example, but will pay the full amount of heating costs and we are presently working on a system to try to do that on a monthly basis where there would be a lag of no more than a month in the payment rather than the present system. But in addition to that, I think if the members look at the level of income support in this province by comparison with other provinces that we fare very well; in fact in the case of family support we rank in several categories second only to the province of Alberta and in some other areas we rank third or fourth.

In any event, I think the level of support that has been determined for the ensuing fiscal year is one which will ensure that the residents of this province who are in need of this kind of support will be able to live without the threat of being below the poverty line.

Mr. Lewis: Significantly below.

Hon. Mr. Norton: And I would also point out, Mr. Speaker—

Mr. Cassidy: You should resign.

Interjections.

Hon. Mr. Norton: —that those people who are in a situation where the—

Mr. Speaker: Order, please. The hon. minister has the floor.

Hon. Mr. Norton: —allotment does not cover adequately their shelter costs—if, for example, they are in a situation where they are paying exorbitant shelter costs—that we do have under the general welfare assistance programme in this province—

Mr. Martel: Try to get it.

Mr. Renwick: Yes, try to get it.

Mr. Speaker: Order.

Hon. Mr. Norton:—assistance whereby that may be supplemented so as to assist them and I can assure you that no one in this province need go without the necessities and we will ensure that. I believe that this—

Mr. Warner: You inherited all James Taylor's speeches.

Hon. Mr. Norton:—increased percentage of support will also go towards ensuring that.

Mr. McClellan: Supplementary: Is it not a fact, Mr. Speaker, that in the last fiscal year the ministry was underspent in its social assistance budget by some \$31 million and that had it put that into an immediate increase it would have amounted to something in the order of a nine per cent increase anyway?

Ms. Gigantes: Shame!

Mr. Lewis: That's what happened. You held it back and you got away with it.

Mr. Speaker: Order, please.

Hon. Mr. Norton: That is not true. I am just looking for the precise figure of the total amount of this increase. In fact I believe that the eight per cent constitutes a commitment for an increase of almost \$50 million in income support programmes in the province of Ontario—

Mr. Laughren: You are toeing the line.

Hon. Mr. Norton:—so what has been suggested would not be true.

In specific response, I don't know the precise figure of what excess may have remained at the end of the year. I would point out that especially in areas such as this where there is an element of projection and prediction involved in determining the budget for the period of the fiscal year that it is not uncommon that there would be some excess at the end of the year. It is difficult to predict levels of unemployment, to predict the circumstances in the economy that might lead more persons in our community to require this kind of assistance. To take the step without having predicted what the costs into the future would be and what the needs of the individuals into the future would be, simply dumping excesses as you have suggested I think would be irresponsible. I think one has to plan for these—

Mr. Lewis: Dumping? Dumping? You gave them nothing.

Interjections.

Mr. Speaker: Order. Order, please.

Hon. Mr. Norton: What was suggested is that whatever excess there was at the end of the year should have immediately been applied.

Mr. Lewis: Sure. Well, you gave them nothing last year.

Mr. Speaker: Order, please.

Hon. Mr. Norton: I suggest that to do that without adequate planning and without consideration of what the future fiscal commitment might be, would be irresponsible.

Mr. Warner: Just like his predecessor.

Mr. S. Smith: Supplementary: Would the minister not agree, Mr. Speaker, that since we are dealing with people who are living at what is agreed to be a subsistence level in our society—and we have come through a very difficult winter and a couple of years of dreadful inflation in this country—that the very least he could do is introduce this eight per cent increase starting April 1 and not have to drag it out until July? It is a great hardship on these people. Why not start the thing now and at least give them some hope?

Hon. Mr. Norton: As the hon. member I am sure is well aware, there is a time lag out of necessity between the actual decision and the implementation of this because of the problems that are faced in terms of processing the changes in cheques, for example. As it is, my ministry processes something like 28,000 changes per month in these programmes.

Mr. Lewis: Tax write-offs for corporations take effect immediately.

Mr. Speaker: Order.

Hon. Mr. Norton: The earliest that we can possibly do it is by the dates that have been suggested.

Mr. Cassidy: You can back-date the cheques.

Hon. Mr. Norton: The reason for the two separate dates, in terms of June for family benefits and GAINS D and July for general assistance, is so that the cheques will in fact go out at the same time, since one is paid at the end of the month and the other at the beginning of the month.

Mr. Martel: Supplementary: Does the eight per cent apply to everyone? It hasn't in the past six years to my knowledge. How can the minister continue to argue, as he did recently in correspondence with me, that indexing, or periodic adjustments rather, are

better than indexing because it's fairer, when in fact the cost of living has probably gone up 16 per cent and the ministry has only given eight per cent for almost a two-year period? Only indexing will prevent that.

Hon. Mr. Norton: I'm sorry, would the hon. member repeat the first part of his question?

Mr. Martel: Does the eight per cent apply to everyone on GWA and FBA, since it hasn't in the past six years?

Hon. Mr. Norton: The eight per cent will apply at the maximum rates—

Mr. Lewis: What?

Mr. Laughren: You are too much.

Mr. Speaker: Order, please.

Hon. Mr. Norton: As a result of that, those persons who have some other source of income, and therefore may not be receiving the maximum rate, will receive more than eight per cent.

In other words, someone, for example, who is receiving less—say their total entitlement might be in the neighbourhood, just as an arbitrary figure \$200, and they have supplementary income of \$100—

Mr. Lewis: That's not the poverty level, of course.

Hon. Mr. Norton: I'm just using these hypothetical figures and I'm sure the hon. member realizes that.

The increase to the person receiving the \$100 supplement to the other sources of income, would in fact be more than eight per cent because the increase would constitute more than eight per cent of the \$100.

Mr. Martel: It would be under \$300.

Hon. Mr. Norton: I beg your pardon?

Mr. Speaker: Does the hon. member for Kitchener-Wilmot have a supplementary?

Mr. Martel: Would the minister answer the second part of the question?

Hon. Mr. Norton: With respect to the second part of the question, Mr. Speaker, I can say that it is still the policy of this government that the fairest and most flexible way in which—

Mr. Laughren: Fairest?

Hon. Mr. Norton: —to approach these increases is by periodic review—

Mr. Lewis: Is four per cent a year!

Mr. Speaker: Order, please.

Hon. Mr. Norton: —as opposed to a fixed indexing.

Mr. Martel: That's nonsense, you've just shafted them.

Mr. Lewis: Boy, are you a generous guy.

Mr. Ferrier: Just like that guy on your left.

Mr. Sweeney: Supplementary: Specifically, will this increase apply to those people who are on Ontario pensions, such as permanently unemployable or permanently disabled; and secondly, will the recognition on the ministry's part that an increase is needed also lead to the discontinuance of the practice of deducting from someone on an Ontario pension the amount that the spouse gets on a federal pension?

Hon. Mr. Norton: The answer to the first part of the member's question is yes, it will apply to those persons to whom he refers.

With respect to the second, that is not something, as I am advised, that we can arbitrarily deal with. The agreements that we have with the federal government with respect to income support require that the income support level be established and that where other sources of income increase, including federally-funded programmes, that adjustments be made so as to maintain that level of income support.

As I understand it, it is not something where we can say that if there is an increase in their federal pension we can ignore that at the provincial level. I can assure the member it's something I have been concerned about and am checking into.

Mr. Swart: Supplementary: The minister will be aware that at the present time permanent disability Workmen's Compensation Board payments are deducted from the amount given in general welfare. In view of the miserly increase that has been given, would the minister be prepared to give consideration to giving the same kind of exemption on moneys received from Workmen's Compensation Board as now given for moneys received from labour, namely the \$50 and the \$100 a month?

Hon. Mr. Norton: I am sorry, I am not sure that I understand the question. Could the member restate it, please?

Mr. Lewis: Ask Jim Taylor, he will be helpful.

Mr. Swart: Perhaps I can explain it a little more fully. The employables, those on welfare now, are permitted to make \$50 a month if they're single or \$100 a month if they're married, and that amount of money is not deducted from the welfare payments. However, everything that a person gets from Workmen's Compensation Board is deducted. Would the minister be prepared to give consideration to treating that money from Workmen's Compensation Board the same as if it were money earned?

Hon. Mr. Norton: I would certainly be prepared to consider that, provided there are no legal constraints that would prevent me from doing so.

Mr. Speaker: The hon. member for Kitchener-Wilmot—a final supplementary on this for now.

Mr. Sweeney: Mr. Speaker, coming back to the minister's response to the second part of my question: Surely the minister, realizes that the practice that he described means that a couple gets no increase at all. That's what we're asking him to discontinue. Would he please respond to that?

Mr. Speaker: Order, please. We are not debating answers. Is there a supplementary?

Hon. Mr. Norton: Yes, I understood the thrust of the member's question, and I trust that he understood the thrust of my response. I think we have to bear in mind that there is new legislation at least in the drafting stage at the federal level with respect to social assistance, and I would hope that—

Mr. Good: Get Jack Horner to speed it up.

Hon. Mr. Norton: Well, that isn't our legislation, that's federal legislation. Yes, now that Jack Horner has joined the ranks he may speed things up a little bit. I would hope that that might allow us that added flexibility, although I caution the member that we are concerned there may be tighter restraints upon us with respect to those arrangements.

FISHING LIMITS

Mr. Lewis: May I ask a question of the designated Minister for Northern Affairs?

Interjection.

Mr. Lewis: I think that's the exact description.

Did he notice that his colleague, the Minister of the Environment, had indicated in response to questions a day or two ago that fishing might have to be cancelled entirely in various lakes because of the levels of some contaminants and pollutants in Ontario? In view of his previous portfolio and the present one, has he discussed that with him, and what are his own personal views, and so forth?

Hon. Mr. Bernier: I can only say that I have discussed this with the hon. minister and he tells me that the press reports were not entirely correct. He might want to direct the question to him to clarify it.

Mr. S. Smith: That really helped the other day, I'll tell you.

Mr. Lewis: I don't want to redirect, Mr. Speaker. Instead I'll ask the Minister of Northern Affairs a supplementary.

How much further has the cabinet submission document which went out under his name on July 27, 1976, dealing with the proposed provincial policy for sport fish and land management when sport fish are known to contain contaminants and the various implications for angling across the province, and the various findings he made, and his interesting recommendation—how much further has all of that cabinet document gone to the finalization of policy?

Hon. Mr. Bernier: If my memory serves me correctly, I believe that the information package to which the member is referring has recently come before the CCRD just last week, so it will be moving up to cabinet for finalization. I think the deadline for the presentation to the public of that information package, dealing with all the lakes in northern Ontario—in the province, in fact—should be about the end of June. So it is moving ahead. It will be a totally comprehensive information package in regard to contaminants, be it mercury, PCBs, or Mirex.

Mr. Lewis: By way of one quick final supplementary: The minister will recall that he made certain specific recommendations about angling in this document and where it would be permitted. He was prepared to let it be permitted anywhere, even if there were known contaminants. But to what extent has that proceeded?

Hon. Mr. Bernier: I would like to check on that, Mr. Speaker. I believe it did get through the cabinet committee. As to where it stands now—it went out with my old portfolio, but I can check on it.

Mr. Foulds: How much effect has the presentation of the Northwestern Ontario Chamber's of Commerce recommendation that the English Wabigoon River system be fished out by the Indians and the fish sold to foreign enterprises affected the process of the minister's recommendation in this document?

[10:30]

Hon. W. Newman: He didn't say that at all.

Mr. Laughren: Put your campaign manager to work.

Hon. Mr. Bernier: Mr. Speaker, I can report to you that while that particular suggestion might not be received in this area as well as it would be received in northern Ontario, one of the bands is seriously looking at the idea because of its desire—

Mr. Lewis: You are seriously looking at it?

Hon. Mr. Bernier: No, they are—

Mr. Speaker: Order, please.

Hon. Mr. Bernier: —because of the employment opportunities that would be generated.

Mr. S. Smith: The poison export business.

Mr. Lewis: To sell contaminated fish abroad.

Mr. S. Smith: You will become mercury exporters.

Mr. Speaker: Order, please.

Hon. Mr. Bernier: I think the member is just taking it out of context completely. He didn't understand the whole presentation. I'll forgive him for that.

An hon. member: Don't go out of your way.

Hon. Mr. Bernier: But the chamber of commerce did indicate to us at that time that it would be submitting it to us in a formal way. To my knowledge, I don't think it has been received as yet.

USE OF SEWAGE SLUDGE

Mr. S. Smith: I'd like to direct a question, Mr. Speaker, to the Minister of the Environment regarding the guidelines for sewage sludge utilization on agricultural land. Could he indicate to the House whether these guidelines will be adopted soon and whether he'll release the report prepared by the pollution control section of his ministry

entitled, Assessment of the Impact in Implementing the Provisional Guidelines for Sewage Sludge Utilization on Agricultural Land? I ask this question in view of the fact that a number of heavy metals and other toxins are alleged to be in sewage sludge that is used at present on agricultural land.

Hon. Mr. Kerr: Yes, Mr. Speaker, there is an interministerial committee now assessing the report of my ministry in respect to implementing these guidelines. The report isn't completed as yet, nor has the interministerial committee formally reported on the in-house report, shall we say. However, in the meantime the guidelines are being applied in the province to those areas where there is sludge removal, particularly where removal is by private contractors from plants and the sludge is being disposed of in different disposal sites—for example, North Bay. As soon as the guidelines have been formally accepted and adopted, that report will be available to the public.

Mr. S. Smith: By way of supplementary, does the minister admit that these guidelines have been in final draft form since at least a year ago, that 63.2 per cent of the sewage sludge in the province is being used on agricultural land, and that an examination of 54 plants has indicated only 19 that would be acceptable under these guidelines? Why the delay? Surely the dangers to human health are sufficient to alarm the minister into somewhat quicker action.

Hon. Mr. Kerr: There is no delay whatsoever. As I say, the guidelines are being used now. Even at this preliminary stage they are being applied to the haulage and disposal of sludge from our various sewage treatment plants. This is an ongoing study involving an interministerial committee and with representatives from the University of Guelph, for example, where the whole study started in the first place. As far as the report is concerned, that report will be released when the actual report is completed and it is updated as a result of the study and the comments of the interministerial committee. But in the meantime the guidelines are being applied.

Mr. S. Smith: Just to be clear about this, on a supplementary; it's really a point of clarification. Is the minister saying all sewage sludge in Ontario now being applied to agricultural land falls within the guidelines of that report?

Hon. Mr. Kerr: That is what we are implementing right now, yes. I'm not saying

the guidelines are being applied to every haulage contract, for example, or the actual process of haulage from the various plants. But this is being done on an ongoing basis and we hope within a very short time that every plant will be adhering to these guidelines.

Mr. Kerrio: Supplementary, Mr. Speaker: Is the minister aware that in other jurisdictions where the sludge is used on agricultural lands, mainly the state of Wisconsin, there are now significant signs of polychlorinated biphenols showing up in the milk from cattle grazing on that land?

Hon. Mr. Kerr: Mr. Speaker, I know that PCBs have been a part of the problem as far as sludge disposal is concerned, yes. That's one of the reasons we're applying the guidelines.

Mr. S. Smith: I wonder if I could ask a quick supplementary: The minister says he is trying to implement things and so on. I would like confirmation of this. Is it a fact that on some land tested where this sludge is being used as much as six times the limit of cadmium as the guidelines propose is presently being found? And since at the moment 63 per cent of the sewage sludge is going on to agricultural land without control, what percentage today—right now—is going on without control? That is what I want to know.

Hon. Mr. Kerr: I will get that information. I question whether 63 per cent is actually going on agricultural land. Much of this sludge is being disposed of on land owned by the hauler. The land is not used for agricultural purposes. But I will get that particular figure for the hon. member.

UTDC MORTGAGE LOAN

Mr. S. Smith: A question to the Minister of Transportation and Communications. Can the minister confirm reports which suggest that the Urban Transportation Development Corporation made a mortgage loan of something over \$85,000 at five per cent interest to a former vice-president as part of his benefits package? What I would like to know, if he can confirm that, is whether that is the normal practice of government agencies? Could he tell us what the salary of the individual was?

Hon. Mr. Snow: I can confirm that a mortgage loan was made available for one employee of the Urban Transportation Development Corporation to accommodate getting the services of that particular individual

for the corporation. That individual is no longer with the corporation. The mortgage loan was shown in the annual Auditor's statement that I tabled in the House several months ago. That loan is no longer on the books. It was paid back to the corporation when the employee left UTDC. I cannot tell the member what the salary of that individual was, but I can find that out if he would like.

Mr. S. Smith: By way of brief supplementary—

Hon. Mr. Snow: If I could explain; I don't think I had fully answered the question. It is not the policy of the corporation to carry out this practice. It was an individual situation. As soon as I saw the matter myself, I inquired into it and wanted all the details.

Mr. S. Smith: Basically, I just was going to ask the minister by way of supplementary, whether he has taken steps to be sure that this is not happening in that particular agency. Considering the Auditor's concerns about UTDC generally, the test track programme, supplementary estimates and the Auditor's allegations regarding certain deferred expenses, is the minister intending to give a full and complete statement to this House on the state of UTDC finances and management?

Hon. Mr. Snow: I expect we will be fully discussing that matter when we come to the estimates of my ministry. I hadn't planned on any statement, but if there is any specific information that the hon. member wants I would be pleased to get it.

Mr. Bullbrook: By way of supplementary, perhaps it was overlooked but the minister didn't respond to my leader. Was the mortgage lent at a rate of five per cent? If so, was that part of the incentive package? If it was part of the incentive package, does the minister think that is appropriate?

Hon. Mr. Snow: Off-hand I can't tell the member what the interest rate on that particular mortgage was. It was a year, or at least many months, ago that I looked into it.

Mr. Bullbrook: When the rate was 12 per cent.

Hon. Mr. Snow: It was part of an accommodation for this individual whose services the corporation wanted to get and this arrangement was made. As I say, the mortgage has been repaid. I can get the full details on it and table them, if the member would like me to.

Mr. Lewis: Supplementary: I don't pretend to have known anything of this until it was raised, but curiosity prompts me to ask a question. Perhaps the minister could tell us, when he is answering these other specific details, what caused the termination with UTDC of this individual, since obviously it does call into question the judgement of UTDC that they should arrange such an extraordinary accommodation—double entendre meant—for this man, and then find him no longer in their service a few months later?

Interjection.

Hon. Mr. Snow: I can't tell the hon. member how many months this individual was with the corporation. I believe he was a very highly qualified individual who had been with—

Mr. Lewis: Krauss-Maffei in Germany.

Hon. Mr. Snow: No. He had been with the space research organization—

Mr. Lewis: With NASA? You would pay mortgages to former employees of NASA? You are—

Interjection.

Mr. Speaker: Order, please. We are wasting valuable time here.

Hon. Mr. Snow: The hon. member says how extraordinary this situation is.

Mr. Lewis: I certainly do.

Hon. Mr. Snow: I don't think it is particularly extraordinary at all. Many major corporations, when they transfer or bring individuals into their employ—

Mr. Haggerty: They are making profits.

Hon. Mr. Snow: —from outside the country or outside the province or even within the province, make such accommodations to arrange housing for them. It happens every day of the week.

Mr. Germa: It is tax evasion. You know what that means?

Mr. Speaker: Order, please. We have taken almost 30 minutes now in the two lead-off questions which is too long in the question period. We'll have a new question.

Mrs. Campbell: Supplementary.

Mr. Speaker: Order, please. If there is time we will come back to whatever question you wish, but I think we should get on and give

other members a chance to ask new questions.

GROUP HOME PLACEMENTS

Mr. McClellan: I want to ask the Minister of Community and Social Services a question with respect to his statement this morning. Given that the minister has said in his statement that Judge Holland's decision may not affect existing orders and given that my understanding was that Judge Holland's decision has voided the placements of hundreds of children placed in group homes by family court judges or, at least, leaves each placement open to litigation by a municipality, would the minister not agree, that to protect these placements and these children, he should reimburse municipalities 100 per cent of the cost charged to them by the courts in order to avoid further litigation and the possible disastrously harmful consequences to kids?

Hon. Mr. Norton: I am learning very quickly that it would be very dangerous to agree with the member when he invites me to, as he has on a number of occasions. The point in my statement was that the decision of Mr. Justice Holland applied, I believe, to three specific cases that were before him. The best legal advice that I can get at this point is that that decision in itself does not void—probably does not void the other orders.

Mr. McClellan: Do you know or not?

Mrs. Campbell: Where do you get that advice?

Mr. Warner: His track record isn't too good.

Mrs. Campbell: I wouldn't rely on it.

Hon. Mr. Norton: I would agree that even if it does not void the other orders, the probability is that other applications will be brought and, as a precedent, that means they might well fall. But the point I want to make is that it does not mean that as of today, for example, that there are 250 children across the province who are not receiving proper care or for whom there is no funding.

As I have indicated to the member, this came to my attention yesterday evening. Contact is being made at the moment with municipalities across the province and with the agencies who are affected by this. And in the course of the next few days we hope to be able to work out a satisfactory arrangement for the provision of those children.

There is no way that we will see those children not provided for. I want to assure the member of that.

With respect to your proposal as to a specific solution, I will certainly take that under advisement but I am not quite willing to agree with you at this point.

Mr. McClellan: You will eventually.

Mr. Foulds: When you are in opposition.

Mr. Speaker: The hon. member for St. George is, I believe, asking a supplementary.
[10:45]

Mrs. Campbell: In view of the uncertainties which the minister does express with reference to the effect of this decision how soon is he prepared to move to implement those things which are needed to be done to eliminate this kind of uncertainty? In other words, are we to see introduced next week the legislation which can at least move some way to bring within his ministry all of these units, so that then he can look at them and be absolutely certain that he is catching all of these children in these places, since there isn't any accountability in the boarding homes and the minister knows it?

Hon. Mr. Norton: As to how soon are we going to move, in fact as of last night we began to move, as soon as I heard of this particular decision. With respect to the member's question on the legislation, I would anticipate we will be in a position to present it to the House next week.

Interjections.

Hon. Mr. Norton: I would point out to the hon. member, even though that legislation may be before the House and passed next week, the effective date of the transfer will still be July 1.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Norton: I'm not concerned about any lack of co-operation in this matter. I think everyone with whom I have spoken at this point perceives the potential problem that is faced by many people as a result of this decision. I am sure I can count on the full support and co-operation of the other ministers in whose ministries some aspect of this may come and also of the private agencies and the municipalities that are affected.

Mrs. Campbell: And the boarding homes?

Hon. Mr. Norton: I would hope so. Those are among the people with whom I will be meeting as soon as possible—I hope on Monday or Tuesday.

ENTERTAINMENT TAX

Mr. Breithaupt: In the absence of the Treasurer (Mr. McKeough), I have a question of the Premier concerning the budgetary decision made to deal with sales tax removals for public events where ticket prices are over \$3. Is the Premier aware of the severe financial problems this proposal may cause for organizations, such as symphony orchestras and amateur sporting associations, which formerly were exempt totally from the collection of sales tax, and which now may have to change ticket prices or suffer losses unless exemptions are continued, particularly with the sale of tickets already announced and under way for the coming season? Would the Premier also ensure that the various amateur hockey associations, the Arts Council and the other groups are able to make comments concerning the changes of exemption policy, if there are any, so that their financial patterns will not be upset?

Hon. Mr. Davis: I can assure the hon. member for Kitchener that the intent of the budget, quite obviously, was to increase the admission exemption figure to \$3. There is no intention of changing policies that already exist for exemptions for a number of those organizations. They can rest assured there is no alteration in this approach.

Mr. Speaker: The hon. Minister of Natural Resources has the answer to a question that was asked previously.

UNITED ASBESTOS PLANT

Hon. F. S. Miller: In my absence last week, the member for Timiskaming (Mr. Bain) asked a question of the Provincial Secretary for Resources Development (Mr. Brunelle) concerning progress in the reopening of the Matachewan mine. I'm pleased to make a few comments on it at his request.

All the appraisals I have seen to date of the mine's future are optimistic as an operating entity. These are those prepared by Clarkson Gordon and Company—I haven't seen a formal presentation from them but just their comments—and those prepared by my own staff after a visit to the mine site. Not only that, general world asbestos sales are good and appear to be good for the long-

term future insofar as we can tell. Therefore, from an operating point of view, the mine's future appears good. In the meantime, I've been having discussions with the three partners in the current negotiations, Clarkson Gordon and Company representing some of the creditors, the Mercantile Bank, one of the largest creditors, and the chairman of United Asbestos, representing the shareholders of the company.

I have to be honest and say that there's a complex legal tangle holding up the reopening of the mine more than any other factor at the present time. I have directed my energies towards negotiating some way out of the present impasse which could go on, in my opinion, for a long time unless some kind of negotiation is made. This puts me in the position of being privy to certain information from the various trading partners that I really can't divulge in public but which I am quite willing to discuss with the three partners on an individual basis. I hope the member understands that, because I'm trying to effect the role of an honest broker, in a sense, to bring them together.

The fact appears that a number of willing partners or future owners of the mine are in the wings. These people appear to be both experienced in the mining field and sufficiently well financed to take over the operation without any kind of government assistance. However, I have not at any point said that government might not be willing to consider monetary assistance if some was needed for another operator. It appears it will not be needed.

I'm going to continue these discussions with as much energy as I can in an attempt to shorten the time between now and the eventual opening of the mine.

Mr. Martel: Why don't you run it until they're ready to settle?

Hon. F. S. Miller: If I had the money I would.

Mr. Foulds: That is a change from the previous minister.

Mr. Bain: Supplementary: I appreciate the minister's comments. He mentioned his own ministry's study. Will such a study be tabled? I'm curious about it. He mentioned that the operation was very viable and profitable. I want to know, on the basis of this, if a private company doesn't reopen it, why the government will not consider investing in the mine with the creditors on the basis that the creditors and the government will get all their money back? Why won't the min-

ister consider investing? Is he making that decision on the basis of sound economics or because he is rigidly adhering to a particular political philosophy?

Hon. F. S. Miller: Probably the latter.

Mr. Cassidy: That's honest anyway.

Mr. Laughren: Be doctrinaire.

FIRE PREVENTION

Mr. Foulds: I have a question of the Solicitor General. Did I interpret his statement of last Saturday at the UCANO conference in Thunder Bay as meaning that two additional staff members would be taken on the fire marshal's office staff for instruction for fire prevention techniques and voluntary fire fighting departments in unorganized territories in northern Ontario? Is that what he said?

Hon. Mr. MacBeth: Yes. We are attempting to obtain the assistance, not necessarily of staff—if that's the question the hon. member is asking—but, on a contract basis, of two people who are familiar with fire service activities and fire prevention to work in the unorganized areas in northern Ontario. They will not necessarily be limited to unorganized areas, but will be there primarily, to do instructional work and promotional work in connection with the distribution of our smoke detectors.

Mr. Foulds: Supplementary: Can I have the commitment that the two contract people or staff or whatever they are will be full-time? Because I believe that the ministry currently is thinking of only employing these two on a part-time basis so that the amount of time expended on this extremely important activity will amount to a mere eight weeks? Does the minister not think that that time scale is woefully inadequate in an area that large, that has a death rate by fire at least three to four times the average for the province, while the average for the province is much in excess of that for the western world?

Hon. Mr. MacBeth: I have not been involved in the direct negotiations with these two people. It is difficult to find knowledgeable people. I didn't know that there was a chance that they were just going to be on a part-time basis but I will make inquiries. I think we want to get their services as long as we can. If they are available, I would hope it would be for longer than what the

member is suggesting. I'll certainly make inquiries.

Mr. Foulds: I didn't suggest it; it is what the fire marshal is suggesting.

Hon. Mr. MacBeth: It's a case of their availability, I believe.

NANTICOKE WATER LINE EXTENSION

Mr. G. I. Miller: Mr. Speaker, I would like to ask a question of the Minister of the Environment in regard to the water intake at the Nanticoke hydro generating station in the riding of Haldimand-Norfolk. I believe it was put in during the construction of the Hydro station. Could the minister tell the House what area it is designed to serve, how much money has been spent on the intake around the water system to this point of time, the eventual capacity of the water intake and the rates that are expected to be charged to the region, which will be the initial user?

Hon. Mr. Kerr: Mr. Speaker, I don't have all that information with me or in my head. The area, I believe, would certainly include the Townsend area and the Jarvis-Hagersville area. I suppose it could even go as far as Kitchener if necessary.

There has been about \$4 million spent so far, mainly on the new industry that's located on the shores of Lake Erie. The rate still has to be established. It will be somewhere around 85 cents I believe. That's just off the top of my head, but about 85 cents, in that area.

Mr. Nixon: Can't lose much more from there.

Hon. Mr. Davis: Now just a minute, let's not get personal.

Hon. Mr. Kerr: I will take note of the hon. member's question. I have a letter from him raising these questions and a number of others, and I believe there is a reply in the mail to him, but in any event I will get that information in more detail.

Mr. G. I. Miller: Supplementary: Why would the rates be 85 to 90 cents for that particular line when it was supposed to be put in to save money for the municipality, and I believe the average for Ontario utilizing the system is about 50 cents, and Stelco indicated it could put in its own line and supply water at 50 cents per 1,000 gallons?

Hon. Mr. Kerr: I don't know why Stelco would say that. If so, I don't know why they didn't go ahead and do it. They had that opportunity.

As far as the average is concerned, if the hon. member is taking the whole province that may be so. There are certainly areas of the province where the rate is higher than 85 cents.

Mr. Good: Supplementary: Realizing that the original intake was oversized, as the original question suggested, is the minister now saying that the extension of that intake to serve the Townsend and the Haldimand-Norfolk region will be large enough to extend that same pipeline up the Grand River at some future date to serve the Kitchener-Waterloo area, or would that require twinning of the work that would be done now to serve the lower end?

Hon. Mr. Kerr: The size of that line at the present time would be adequate to extend up to the Grand, at least initially. Depending on the development and the number of people who would tie into that pipe, it may require a twinning at some later time. Certainly initially, and over a short period of time—five or six years, depending on the progress of the line—it would be ample to serve that area if this plan was carried out.

BUDGET PRIORITIES

Mr. Cassidy: Mr. Speaker, I have a question for the Premier. Can the Premier explain the sense of social priorities of the government which has led the government to increase welfare assistance by eight per cent over the 1975 level for people who have no resources while it has raised the exemption from succession duty to 100 per cent over the 1975 level; that is, from \$150,000 to \$300,000?

Hon. Mr. Davis: I think the hon. minister dealt with the first part of that question at some length here this morning. I am sure the hon. member for Ottawa Centre listened very carefully to the questions and the answers that were given, and I think there is no point in having a further debate on that part of the question at this moment.

If the member for Ottawa Centre is objecting to the proposed increase in exemptions for succession duties, I will understand that, and when his party votes against it we will also understand it, and I will not be provocative this morning here and remind him that

in his great sister province of Saskatchewan with the same sort of philosophy, they have eliminated succession duties altogether.

[11:00]

Mr. Good: Ontario and Manitoba are the only ones left.

Mr. Cassidy: Supplementary: Are we to conclude from the Premier's reply that it is the government's opinion that beneficiaries of estates worth more than \$250,000 are in greater need than people on welfare assistance?

Mr. S. Smith: Oh, good heavens.

Mr. Breithaupt: That's called a non sequitur.

Hon. Mr. Davis: I think the hon. member knows the answer to that question.

Mr. Cassidy: Not from answers, we don't.

Mr. Speaker: Order, please.

Hon. Mr. Davis: I can only say to the hon. member he is attempting to be controversial here this morning—

Mr. Breithaupt: He is being political.

Hon. Mr. Davis: —it's Friday, it's a nice day today and I don't intend to be provoked.

Mr. Nixon: Has the Premier been outside?

Hon. Mr. Davis: Really, his question is very silly—he knows that—and I don't intend to add anything to it.

I can give him a few examples if he wants me to. I can give him a few examples, now that I've decided he wants some. Ask some of the people here on this side of the House who represent some of the farm communities; the hon. members opposite don't have that experience so they don't know some of the problems the farmers face.

Mr. Eakins: He has a home on the Island, Bill.

Mr. Bain: How dare you by that statement write-off the farm communities in the north?

Mr. Speaker: Order, please.

Hon. Mr. Davis: I'll just give the hon. members opposite a little lesson on the farm community: Talk to some of the farmers who are sitting with land that is assessed at, say, \$1,000 an acre—

Mr. Singer: Mr. Speaker, this is awful; it is becoming a debate. Why did you allow

the question or the answer? It's about time you acted like a Speaker.

Hon. Mr. Davis: Throw out the member for Ottawa Centre.

Mr. Speaker: Order, please. I think the question was pretty hypothetical—

Mr. Cassidy: No!

Mr. Speaker: —and the answer is going to be the same. We're wasting time.

Interjections.

Mr. Speaker: Order, please.

Mr. Cassidy: There's one law for the rich and one for the poor.

Mr. Speaker: Order, please. We'll hear the hon. member for Quinte.

Mr. Lewis: This is just a dry run for Middlesex tonight.

Mr. Speaker: Order. The hon. member for Quinte only has the floor.

HIGHWAY 33

Mr. O'Neil: I have a question of the Minister of Transportation and Communications. Could the minister tell us whether any plans are under way for the rerouting of Highway 33 north of Trenton, in particular the stretch between Glen Miller and Frankford?

Hon. Mr. Snow: I'm not familiar with whether there are any particular plans for that, but I'll look into it and get the answer for the hon. member.

Mr. O'Neil: Supplementary: As parts of this stretch of highway run within feet of the Trent River, would the minister have his officials in the area check the condition of the guard-rails as there are sections that I believe are in need of additional barriers and certain other sections where repairs are needed?

Hon. Mr. Snow: Yes, I will get that information.

BUDGET BRIEFING

Mr. Ziembra: In view of the absence of the Treasurer, I would like to direct my question to the Minister of Revenue. Can the minister arrange to table the names and occupations of the individuals, other than accredited press gallery people, allowed into

the pre-budget press lockup? At the same time, would she also indicate how many of these individuals were permitted to leave before 8 p.m.?

Hon. Mrs. Scrivener: Certainly, Mr. Speaker.

Mr. Ziemba: Supplementary: Could the minister also explain why the customary oath of secrecy wasn't required this time around?

Hon. Mrs. Scrivener: I would be pleased to.

GO TRAIN STATIONS

Mr. Cunningham: My question is to the Minister of Transportation and Communications: Would the minister indicate to the House whether or not his ministry or its operating agency, TATO, has made any changes in the status with regard to those stations planned for the Richmond Hill to Union Station GO train line?

Hon. Mr. Snow: I wonder if the hon. member could be more explicit as to what he wants to know?

Mr. Cunningham: I am asking if the minister would indicate to the House precisely how his ministry could justify a capital expenditure of \$350,000 for a GO station to be located on the line at Leslie and Finch, when the location is 1.5 miles from the next planned station at Sheppard and Leslie, and two miles from the Finch station?

Hon. Mr. Snow: The justification or building a station on the GO train line, of course, is to allow people to get on and off the trains.

Interjections.

Mr. Renwick: Supplementary: Is the minister reconsidering his decision not to open a GO station at De Grassi Street in the riding of Riverdale?

Mr. Lewis: Stop laughing at him.

Hon. Mr. Snow: No.

HIGHWAY 401

Mr. Breaugh: I would like to try a question to the Minister of Transportation and Communications—not about a GO station.

He announced this week that he would be putting out tenders for contracts for the expansion of the 401 through the city of Oshawa. Could I have the minister's assurance that he still intends to meet with those resi-

dents groups that the ministry have been meeting with in Oshawa before a final design is struck? That would reflect on when the tenders were let. Will he still do that? Can ministry officials assure us that this will continue to be the process?

Hon. Mr. Snow: I am not too sure what the hon. member is asking. I have not been requested, I don't believe, to have any meeting—I have no meeting scheduled. There have been a number of meetings carried out regarding that contract. It is in our programme; it was published in our green book earlier this week. I believe the proposed tender call date is later on in the fiscal year.

I don't know just exactly at what stage the design is at this moment but I know that although we have a contract proposed in our published programme, there's always the possibility of slippage in a particular programme if there's a delay for land acquisition or in design. I know that one major concern of that particular contract was the noise barriers, and I have established a new policy on the noise barriers. The Oshawa contract, I believe, will be the first under this new policy where the noise barrier will be constructed as part of the construction contract. That part, I think, has been clarified. I didn't know there were any further problems. I'll look into it.

Mr. Breaugh: I want to assure the minister that he was invited, if he could make it to that meeting.

Mr. Speaker: A supplementary question?

Mr. Breaugh: The ministry staff have agreed to come back with a final design to the residents. I would simply like the minister's assurance that they will do that before he puts these contracts to tender.

Hon. Mr. Snow: If there is a commitment made by my staff that they will be back for further meetings, I can assure the hon. member that commitment will be kept.

YORK REGIONAL COUNCIL

Mr. Stong: In the absence of the Treasurer, I have a question for the Premier. Can the Premier give the House some indication when The Regional Municipality of York Act will be amended to provide an extra seat on the regional council for Markham, which has oft sought this amendment, and which seat is much needed in that area?

Hon. Mr. Davis: Mr. Speaker, I'll be delighted to check this with the Treasurer

(Mr. McKeough) on Monday and try to give the hon. member an indication as to when amendments might take place, and whether this is contemplated as being one of them.

TRANSPORTATION OF MENTALLY HANDICAPPED

Mr. Martel: A question to the Minister of Community and Social Services: Can the minister indicate when the government is going to announce a policy with respect to funding busing for the mentally retarded to and from home to shelter workshops, and so on—something that's been under study for at least four years now.

Hon. Mr. Norton: I am not in a position to make a prediction as to a precise date, but perhaps the Provincial Secretary for Social Development would be in a better position than I to answer that at this point. Discussions relating to that have been taking place involving the Ministry of Transportation and Communications and our policy secretariat.

Mr. Martel: To the provincial secretary: In view of the fact that the government has been studying the question of funding either municipalities or organizations for the transportation of the mentally retarded to and from sheltered workshops, schools, and so on, can the minister indicate when an announcement will be made with respect to a definite policy regarding a transportation allowance?

Hon. Mrs. Birch: Mr. Speaker, I think this will be part of our overall transportation for the physically handicapped and mentally handicapped for the province. We do have, as you know, some experimental programmes under way, and we are looking at those very closely and evaluating them before we make a policy decision for across the province.

Mr. Bounsall: Supplementary: On the timing of that, should positive announcements be made by at least next fall, in terms of the extension of that pilot project across the rest of the province—by at least next fall?

Hon. Mrs. Birch: The pilot projects were for two-year periods. We feel we need a two-year period in which to do a proper evaluation of the needs of that particular programme.

Mr. Martel: That's nonsense.

Hon. Mrs. Birch: No.

CROP INSURANCE

Mr. S. Smith: A question for the Minister of Agriculture and Food: In view of the drought problems being experienced by farmers in northwestern Ontario, will the freight subsidy for hay—the cutoff date at the moment being, I think, May, 31—will that subsidy be extended this year? Will the minister undertake to see that all the farmers in that area are notified of the terms of the ministry's plans, especially for crop insurance? Many farmers told me the other day in Thunder Bay that they were not aware of the plan.

Hon. W. Newman: I thought the member would never ask, because I've been waiting. I'd like to point out that we did have a hay assistance programme last year.

Mr. Mancini: Slow down, Bill, slow down.

Hon. W. Newman: I was in northern Ontario last July. I said I would bring forward a crop insurance programme for the farmers in northern Ontario. We have put together a programme. We have announced the programme. We have had a tremendous response from the farmers in northern Ontario. As a matter of fact, we have more than 700 policies already taken out. The coverage will provide insurance of up to \$200 per acre where drought affects the farming community in northern Ontario.

I'm very proud of the fact that we've been able to bring this programme forward this year for the farmers. I have a group working with the Minister of Northern Affairs (Mr. Bernier) to look at the total water problem in northern Ontario and at the supply of water to farmers in that area. And, of course, there are other programmes we are looking at for the people up there. Also, we did make extra funds available to the agricultural committee to deal with that matter. It really concerns me when those people in the opposition try to tell us that the agricultural committees are not working well, and that we should be doing the work from down here.

Mr. Martel: You wrote it off in your northern report.

Hon. W. Newman: I'll tell you—you people don't believe in local autonomy.

Mr. Martel: You wrote the north off.

Mr. Speaker: Order; just answer the question please.

An hon. member: Tell them about the insurance, Bill.

Mr. S. Smith: Supplementary: I appreciate the minister's efforts. I wonder if the minister would just make a note. There are three small parts to this. They need very brief answers. First, will he continue the hay subsidy? Second, would he make sure that the farmers have all received the information? Many of them, good farmers, have told me they didn't receive the information at their own address. I wish he would do this. And the third question is simply this: Since the money due to farmers under the crop insurance plan will presumably not be received by them until later on in the year and because they've got to pay out money now, would he be willing to make some form of loan available in the interim to assist those people in making their payments?

An hon. member: Interest free.

Hon. W. Newman: I'll be glad to answer that question. As far as deferring payments, I will look at that matter. But as of an hour and 20 minutes ago, it was very cloudy in northern Ontario. We do not know at this time how much rain they are going to have up there. And to say we're going to provide a hay assistance programme—

Mr. Moffatt: You are supposed to know.

Hon. W. Newman: We have an insurance programme in place—I think that's the route we should be looking at. But if we do not get rain as we move down the road, of course we're going to look at the problems of northern Ontario. Does that answer the member's points?

Mr. S. Smith: I asked about a hay subsidy, about more information, pay and loans. God, they are pretty simple questions.

Mr. Speaker: Order, please. The time for oral questions is past.

Petitions.

Presenting reports.

POINT OF PRIVILEGE

Mr. Bounsall: On a point of privilege, the Speaker has made himself very clear on the attendance of cabinet ministers for questions on Friday morning. Could he investigate and make himself equally clear to the cabinet ministers that the question period has, in fact, been extended. The tendency is for those cabinet ministers who are here to wander out before the end of the question period—

Mr. Singer: Why don't you lock them to their desks? Nonsense, nonsense.

Mr. Bounsall: —which means that questions one would normally expect to ask have no opportunity to be asked.

Mr. Breithaupt: Life is often unfair.
[11:15]

Mr. Speaker: Order, please. This is not a point of privilege. I am sure any message contained in those remarks has been heard and will be heeded.

Mr. Singer: It is not a point of order. It is not a point of anything.

Mr. Lewis: Point of order. We are so gratified by the increased attendance of the cabinet this morning, at least at the outset of the question period, so pleased by the absence of obstructionism and the government's new spirit of co-operation, that we are disinclined to call the election at this stage. I want the government to know that.

Hon. Mr. Davis: I understand that what the Leader of the Opposition is saying is that he will now support the budget, and all the other measures that are before the House, and he has now decided he is not ready yet to fight an election. I am delighted to have that information from him.

Mr. Lewis: Not for a week or so.

Mr. Speaker: Order, please. I think we have been straying.

Mr. Martel: Not until Monday.

Mr. Speaker: Order, please.

Mr. Singer: We are wasting time. That is 10 minutes of motions.

Mr. Speaker: Motions.

INTRODUCTION OF BILLS

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. B. Newman moved first reading of Bill 56, An Act to amend The Employment Standards Act, 1974.

Motion agreed to.

Mr. B. Newman: Mr. Speaker, the purpose of this bill is to provide additional employment opportunities by establishing the regular working day of eight hours and the regular work week of 40 hours.

ORDERS OF THE DAY

ESSEX COUNTY FRENCH-LANGUAGE
SECONDARY SCHOOL ACT, 1977

Hon. Mr. Wells moved second reading of Bill 31, An Act to require the Essex County Board of Education to provide a French-Language Secondary School.

Hon. Mr. Wells: Mr. Speaker, this is a unique piece of legislation. I have searched the records and cannot find any parallel to it. This is a piece of legislation presented to this assembly to require a local school board, to whom we have given the authority to build a school, to build that school.

As I have said many times and in many different places, there comes a certain time and a certain place when certain action must be taken. The one thing people of this province know is that this government has never been found wanting when that time or that place arrives and action is necessary.

Mr. Nixon: Never found wanting when it comes to procrastination.

An hon. member: How about Peel now?

Hon. Mr. Wells: The bill that is here today, Bill 31, An Act to require the Essex County Board of Education to provide a French-Language Secondary School, is, I think, one of those pieces of legislation that at this time and in this place is an absolute necessity. I think it is an absolute necessity that this Legislature pass this bill unanimously, and that we say to the people of Ontario and the people of Essex county that for whatever reasons the debate and the feelings that have gone on down there have occurred, they should now be put to one side.

We should get on with the job of providing for a minority in that community, a facility that we have said is the right of minorities in this province. I think the presentation of this bill is strong evidence that the province is thoroughly committed to the principle that English-speaking and French-speaking citizens have a right to receive their education in their own mother tongue.

Our resolve to ensure that our French-speaking pupils are afforded the opportunity to be educated in the French language really, I guess, became evident back in about 1968 when the Hon. John Robarts introduced legislation permitting the establishment of French-language schools or classes at the secondary level. The government's intention of meeting

the legitimate educational aspirations of French-speaking Ontarians was restated by the present Premier in a May, 1971, speech. He said:

"We will provide education, whenever feasible, to students of the French-speaking and English-speaking minority in the language of that minority. We will also provide them with the means to acquire a good command of the language of the majority."

These of course were not idle words. They were accompanied by strong action, not only by the government but also by communities all across this province, and that is the point that I would like to stress today. Although legislation making mandatory the establishment of French-language programmes at the secondary level was scheduled for 1969, it's interesting that many school boards introduced French-language programmes in 1968 before the actual legislation was passed. In fact, the committee on French-language schools in Ontario, formed to prepare the legislation in 1969 for the establishment of French-language secondary schools in this province, reported that the events had out-distanced them and that to a great extent their deliberations and recommendations were already being accepted.

However, in spite of the general acceptance of French-language secondary schools throughout the province it became necessary in 1972, because of several disputes, to review the 1968 legislation in the light of the experiences that had occurred. The Symons commission was formed at that time and it recommended a number of legislative and administrative improvements.

If we are still experiencing isolated problems in the establishment of French-language schools or classes in the province, one of the causes can be attributed, I think, not to bigotry and not to narrow-mindedness on the part of the opponents of those schools but probably to a misunderstanding of what French-language schools really are. I want to stress that—much of the problem is not bigotry and not narrow-mindedness on the part of people in the communities, but more to a misunderstanding of what French-language schools really are.

Let me refer to the Symons report and try to make it clear what a French-language school is and what a French-language school is not. I am going to quote from the Symons report:

"This commission shares the belief, which is widely held by Franco-Ontarians, that the establishment of French-language schools in

which the language of both communication and administration is French best meets this two-fold need: to preserve the language, customs and culture of the francophone student, while enabling him or her to contribute fully in due course to the cultural life and economic progress of his province and country.

"The specific remarks and recommendations of the 1968 commission on French-language schools, as well as the public comments made at that time by the Prime Minister of the province and also by the Minister of Education and others, make clear that this was the spirit and intent of the legislation providing for French-language secondary schools.

"There have, however, been areas of uncertainty and even of conflict arising from a lack of clear definitions of terms and of authority.

"There has, in particular, been understandable confusion over the precise definition of such terms as 'French-language schools' and 'bilingual schools'. French-language schools are not necessarily and only those in which all subjects, except English, are taught in French, which is the restrictive definition that some of their opponents would like to impose upon them. A variety of subjects, in addition to English, may be taught in English in a French-language school. The decision in regard to the language of instruction in various courses in a French-language school must properly rest with the French-language community that it serves, working with and through the French language advisory committee, the board and the teaching staff in the school.

"Each area and each school must decide for itself what its needs are in this regard. For the French-speaking community, the key element in a French-language school is that the language of communication and the language of administration, and hence the total ambience of the school, should be French. Provided that this is the case, a variety of specific subjects could be taught in English without the school seeking to be a French-language school."

I continue quoting from the Symons report:

"In somewhat the same vein, there are misconceptions surrounding the term 'bilingual school.' In particular, the frequent use of this term to describe essentially English-language schools that have a number of francophone students taking some courses in the French language has caused both

concern and confusion. Such schools are, in practice, less 'biligual' than French-language schools which offer some courses of instruction in English.

"The simple fact that English-speaking and French-speaking students may be attending the same school building still does not make that school bilingual. The teaching and learning of a second language is a highly complex matter and it is a gross oversimplification to assume that all one has to do is put anglophone and francophone students under the same roof and that they will then learn each other's language. Quite on the contrary. There is evidence that doing this may, in at least some circumstances, have exactly the opposite result. As most francophone students in Ontario are usually bilingual already because of circumstances outside of the classroom, whereas most anglophone students are not, what nearly always happens in such mixed schools is that the language of communication and administration, and indeed thus the overall atmosphere, proves to be English. Much more often than not, the mixed or so-called bilingual school is a one-way street to assimilation for the French-speaking student.

"By contrast, the French-language school provides a setting within which francophone students will have a better opportunity to come to know and to understand and to strengthen and develop their own culture and heritage. This is essential if they are to maintain their identity in a province where the language of the vast majority is English. It is indeed important for all students both English-speaking and French-speaking that they should during their formative school years be given an opportunity to root themselves securely in their own language and culture. If this is the case, the process of interaction with those of other languages and cultures will proceed more naturally and more fruitfully, both then and at later dates."

There are 24 such secondary schools in the province of Ontario at the present time, that is, 24 homogeneous French-language secondary schools. They have a total enrolment of about 21,500 students. There are a further 36 French-language secondary school instructional units, that is units which are classified really as small French-language schools in a larger building with an English-language school. There are attending these schools, approximately 10,000 students.

It's interesting to look over the list of these schools and the communities where we will find them: They are: Ecole secondaire

de Hanmer, in Hanmer; Ecole secondaire Macdonald-Cartier in Sudbury—

Mr. Martel: Great riding.

Hon. Mr. Wells: —Ecole secondaire Ray-side in Azilda; Ecole secondaire Cité des Jeunes in Kapuskasing; Ecole secondaire Algonquin in North Bay; Ecole secondaire Sainte Marie in New Liskeard; Ecole secondaire Franco Cité in Sturgeon Falls; Ecole secondaire Therriault in Timmins, and even Ecole secondaire de Paincourt with 98 students in Paincourt, which I think is located in the riding of my colleague, the provincial Treasurer (Mr. McKeough).

Then there are Ecole secondaire Georges Vanier in Hamilton; Ecole secondaire Confederation in Welland; Ecole secondaire Etienne Brulé in North York, Metropolitan Toronto; Ecole secondaire Garneau in Orleans; Ecole secondaire André Lauredeau in Ottawa; Ecole secondaire Belcourt in Ottawa; Ecole secondaire Cartier in Ottawa; Ecole secondaire Champlain in Ottawa; Ecole secondaire Charlebois in Ottawa; Ecole secondaire De La Salle in Ottawa; Ecole Secondaire de Casselman in Casselman; Ecole secondaire d'Embrun in Embrun; Ecole secondaire de Rockland in Rockland, and Ecole secondaire la Citadelle in Cornwall.

Mr. Speaker, I purposely beg your indulgence, or I should have before I read this list, because I wanted to read this list again to emphasize that there are 24 of these French-language homogeneous French-language secondary schools at present in this province of Ontario.

[11:30]

What we are asking for in Essex county is not something new; it's not something unique. It's not something, as some of the people down there tell me, that means we are embarking on a programme of establishing a unilingual French-language school, some new type of creature for this province of Ontario that will have a divisive effect. We are suggesting through this legislation that what has occurred in 24 other areas of this province occur in the section of this province known as Essex county. I think anyone who looks over this list, including the hon. members who are from the areas where these schools are located, will know the kind of school we are talking about. They'll know what a homogeneous French-language school is and will know they present no threat to those communities.

Many people have expressed concern also about the learning of English in French-

language schools. This, I feel, is a legitimate concern because an inadequate knowledge of English in Ontario would be a major drawback for anyone who wishes to obtain employment or to simply integrate into the total social context of this province. Let me assure you, Mr. Speaker, that French-language schools are not unilingual schools.

In a brief presented to the Ontario government, the Association Canadienne Française d'Éducation de l'Ontario stated very clearly: "The secondary school graduate"—and this is from the French-language school—"must have obtained a knowledge of English so that he will be able to communicate effectively with English-speaking compatriots to compete on the labour market and to take part in the political and social life of his province and of his country."

To emphasize this point, also let me again quote from Symons report. It said: "There should, however, be no impression that the intention behind French-language schools has been, or is now, to create conditions that would limit or restrict the opportunities of their students to learn English. Franco-Ontario educators and leaders recommend that a complementary and adequate knowledge of English is essential if the French-speaking person is to participate fully in the life of Ontario and of Canada, and indeed of North America. The objective of the French-language school is to provide a process whereby French-speaking students in Ontario will be taught in their own language and at the same time be equipped with a knowledge of English and the capacity to live and work in a predominantly anglophone province without abandoning their identity and their culture."

"Although I am well aware that most people understand our French-speaking compatriots' desire to preserve their culture and linguistic heritage, I would like to reiterate some of the reasons why Ontario is so strongly committed to guaranteeing the educational rights of francophones residing in Ontario." This statement of Professor Symons echoes the sentiments of this government and is fully agreed to by this ministry and this government.

Again, quoting from Symons: "The first and most important reason is that citizens of Ontario are, first of all, citizens of Canada, a country which the Hon. John Roberts described in a 1967 speech as 'a partnership of two societies and two founding peoples, in addition to our citizens of Indian and Eskimo heritage'."

In an article entitled, *Ontario's Quiet Revolution*, in a book called *One Country or Two*, Professor Symons again had this to say about Ontario's decision in the late 1960s to extend the French-language school system. I think these words have particular significance today.

"This realization that the potential importance of Ontario's actions during a period of national tension was, fortunately, a constant factor in the thinking of most of the province's leaders throughout the 1960s. There was, in particular, an understanding that Ontario was equipped to make a significant contribution to an improvement in the relationships between francophone and anglophone Canadians by its geographic position neighbouring Quebec, with a shared boundary running for more than 600 miles; by its size and population, which alone amongst the predominantly English-speaking provinces of Canada are of the same order as those of Quebec; by its resources and wealth; by its large and growing French-speaking population; by its close and continuing historic relationship with Quebec; and perhaps by virtue of the special place that it occupies in the minds and thoughts of Quebec as a substantial partner in its marriage with English-speaking Canada.

"For Canada, this meant an increasing acceptance of the view that the duality of two major cultures is one of the bases upon which this country was founded."

Of course, Ontario has some very important and practical reasons of its own to permit a higher level of knowledge and understanding of French among many more of its young people. As I said the other day, it often comes as a revelation to people to learn that the number of French-speaking Ontario citizens is close to half a million. In fact, there are more Ontario citizens whose first language is French than there are French-speaking citizens in all other provinces in Canada combined, with the exception, of course, of the province of Quebec.

There are almost as many citizens of French origin, about 737,000, in the province of Ontario. This means that this 730,000 is greater than, say the entire population of Newfoundland, which is about 522,000; or New Brunswick with 634,500 or; Prince Edward Island with 111,000 people; and almost as many as Nova Scotia with 788,000. Except for Nova Scotia, there are in this province as many citizens of French origin as there are total citizens in these four other provinces.

In other words, even if we look no further than our provincial boundaries, there are very good strong and ample reasons, on human

and educational grounds, to promote a higher degree of understanding and appreciation between our two founding peoples. Quite simply, it is an excellent way to promote the continued strength and vitality of our total population.

This large and well-established French-speaking community of Ontario, as expressed in the 1968 report of the Committee on French Language Schools, has always looked upon education as one of the most important forces, if not the most important force, for its survival as a cultural group.

The French-speaking community in Ontario is, I think, justifiably frightened by the very real threat of assimilation that is menacing it. It is frightened by this threat and it wants to stave it off. Consider these figures from the 1961 census. At that time in Ontario, in 1961, there were 647,941 citizens of French origin, yet only 425,302 reported French as their mother tongue. The 1971 census did not show an improvement. A total of 737,360 people were reported to be of French origin, while 482,045 said that their mother tongue was French. Only 352,460 indicated that French was the language most spoken in the home.

There are other practical reasons, Mr. Speaker, why Ontario is committed to the provision of French-language educational programmes and therefore French-language secondary schools where the community wishes one. Professor Symons, in the article that I referred to a minute ago, in the book *One Country or Two*! said:

"The Carnegie Study of Identification and Utilization of Talent in High School and College followed the secondary careers of all the students enrolled in 1959 in grade 9 of almost all the public, private and separate schools of Ontario. The study revealed that much less than half of the French-speaking students reached grade 11 and only three per cent completed their schooling by graduating from grade 13 without repeating a year. By contrast, over half the students from anglophone homes reached grade 11, and over 13 per cent completed grade 13 without repeating a year."

I am still quoting from the article: "There was no reason to think that these students were intellectually inferior. Rather there was cause to conclude that the basic objective of equality of educational opportunity was not being achieved for the children of this large and historically significant group, which numbered some 10 per cent of the province's population."

As Dr. Stacy Churchill of the Ontario Institute of Studies in Education wrote in a

recent article: "The immediate effect of the 1968 legislation enacted by the province of Ontario was spectacular. Enrolment in French-language high schools which had previously been private except for grade 9 and 10 doubled, then tripled, within three years. Enrolment in 1966-67 in French-language secondary schools was 8,739; in 1967-68 it was 9,680. Then in 1968-69 it moved to 16,984; and it reached 25,212 in 1970-71. In 1974-75 the total enrolment of French-speaking students in French secondary programmes was 30,906, indicating a participation rate in most areas approaching that of the English-speaking school population. This year the enrolment of French-language secondary schools or secondary school teaching units is 31,472.

The French component, as I have said, has of course been part of the Ontario picture for a long time. In fact, there are claims that the very first school established in Ontario was a French-language school at Fort Frontenac, which is in the Kingston area, in 1678. These schools continued to thrive at the time of Confederation.

The French presence in Ontario is particularly interesting in the context of this bill and the Essex county dispute. I say that because from the establishment of Fort Pontchartrain—Le Détroit—by Antoine de la Mothe Cadillac in 1701, and the subsequent founding of Assumption, which is now Windsor, the French colony expanded and flourished along the banks of the Detroit River and Lake St. Clair. In those early days of colonization, the French and the Indians worked together side by side as fur traders and farmers in that part of Ontario.

It was from these humble beginnings that French settlements then prospered deeper inland. In 1767 La Paroisse de l'Assomption was established to accommodate the religious needs of settlers and their families. Educational needs, of course, were not forgotten, and in 1786 the first school was opened in the parish for 13 female students. It should not be surprising that the language of communication in that school in that part of Ontario was French. My intention today is not to present a history lesson to the members of this House, but simply to remind them of the fact that Essex county boasts a French background and tradition. One has simply to examine the names of many of the streets in that area to realize this.

I think it's also interesting to note, since we of course are members of the Legislative Assembly of Ontario, that the Journal and Proceedings of the first Legislative Assembly

of the Province of Upper Canada recorded the fact that on Monday, June 3, 1793, the House adopted a resolution: "That such Acts as have already passed or may hereafter pass in the Legislature of this province be translated into the French language for the benefit of the western district of the province and other French settlers who may come to reside within the province." Of course, the western district referred to was the district down to and including Essex county.

In the article I referred to a while ago in the book *One Country or Two?*, Professor Symons also records this historic information: "The use of French as a language of instruction in Ontario can, in fact, be traced to these early French settlements, and for many years primary schools in which classes were conducted in the French tongue were established readily and naturally, as the need arose, and without any acrimony or debate."

Indeed, Dr. Egerton Ryerson, the Chief Superintendent of Education in the province for more than 30 years, and in many ways the founder of Ontario's school system, took the view that French was, as well as English, one of the recognized languages of the province and that children could therefore be taught in either language. This view was put clearly by Dr. Ryerson in a letter of April 24, 1857, to the trustees of School No. 3 in Charlottenburgh township, near Cornwall.

[11:45]

This is the quotation of Dr. Ryerson in his letter: "I have the honour to state in reply to your letter of the 16th, that as French is the recognized language of the country, as well as English, it is quite proper and lawful for the trustees to allow both languages to be taught in their school to children whose parents may desire them to learn both."

And still quoting from Professor Symons: "Ironically, it was probably in part at least, because there was so little difficulty or debate surrounding the use of French as a language of instruction in schools in Ontario prior to Confederation, that the question was not specifically dealt with when The British North America Act was drafted."

Of course, we can only surmise that was so, but it is certainly the feeling of many scholars today.

Mr. Conway: Separate schools filled that vacuum.

Hon. Mr. Wells: However, this peaceful and harmonious relationship, which perhaps led to the overlooking of the question of

French as a language of instruction in The British North America Act, started to deteriorate during the latter part of the 19th century; and, of course, restrictions were applied to French-language schools. I guess it was in 1912 that the government of that day dealt its hardest blow to the francophone community by promulgating Regulation 17 which forbade the use of French as a language of instruction in all schools in Ontario.

Mr. Conway: A bunch of Tories made a premiership out of that.

Hon. Mr. Wells: Since 1927, however, this trend has been reversed. I think that what we need to do today is not look at the reasons why this transformation occurred in the early days of the province, but rather that under the successive governments of the Hon. John Robarts and now the present Premier (Mr. Davis) the educational rights of the francophone, or Franco-Ontarians, are being restated and guaranteed to the same degree, I might say, as they were before Confederation.

That brings us specifically to the Essex county situation and the need for this bill. I have tried to sketch this background in order to indicate why this is an important issue and why at this time and place this bill is necessary, as a further indication of the stated policy of this government toward French-language education for francophones in this province.

I suppose the difficult question that will have to be answered by some members of this House—indeed, by all of us—because I have had to answer it as I have gone through the process of deciding, is how we should handle this situation, and how we could guarantee the rights of the minority in this part of the province, balanced against other legislation which provides at this point the responsibility for establishing this school with a duly elected local school board.

I guess it has been my feeling that, hopefully, we could achieve the guarantee of the rights of the French-language minority in the Essex area to have their own school without having to do it by way of legislation, but by using the good offices of this government and this ministry. By working with the people in that area—and working closely with them—we could endeavour to have them come to the decision to build the school without any mandatory legislation. As, indeed—and I point this out—as, indeed, has occurred in those other areas—the 24 areas—that I indicated to hon. members.

That has not happened. This dispute goes back to about 1969, when the French language advisory committee decided to undertake the study for a need for a French-language secondary school in the Essex county area. The reasons for that study—the reasons for the desire for that school, of course—I think I have indicated in my earlier remarks concerning the historic traditional background of Franco-Ontarians in that particular part of our province.

In 1972, Mr. Speaker, the Essex County Board of Education accepted a recommendation from its French language advisory committee which recommended the building of a school and a feasibility study in connection with the Windsor Board of Education. At that time, as I understand it, the Essex county school board and the Windsor school board decided to look at the matter of building the school jointly and establishing whether the need for a such a school existed.

In 1973, the matter was under consideration and the studies were taking place. In February, 1974, I met with trustees and officials of the city of Windsor and the Essex county board and we talked about the rights of the francophone minority in the area to have a secondary school.

In April 22, 1974, there was a motion that the Essex Board of Education file with the Ministry of Education a building proposal to construct a school of 824 pupils' places and that the school be erected in the St. Clair Beach-Tecumseh area. This motion was discussed with the board—people from our ministry discussed it with both the Windsor and the Essex boards. No decision was arrived at at that particular time. The decision to go ahead and build the school was not arrived at.

The Essex county French language advisory committee, in May 1974, submitted the case to the Languages of Instruction Commission of Ontario. The Languages of Instruction Commission had been set up under legislation in 1973, as I recall, to provide mediation and a problem-solving mechanism where there was a dispute between a French language advisory committee and a school board—the French language advisory committee wanting one thing, the school board not agreeing with their request.

The Languages of Instruction Commission had just been newly appointed and one of the first tasks it had was to intervene, to mediate, to attempt to arbitrate this dispute between the Essex county board and the

French language advisory committee over the need for a French-language secondary school in Essex county.

I would like to read the report sent to the Essex Board of Education on September 4, 1974, from the Languages of Instruction Commission of Ontario. It was sent to the chairman of the board, Mr. Woodbridge, and it said:

"As prescribed by section 88d(1) of The Schools Administration Act, the Languages of Instruction Commission of Ontario has conducted an inquiry, including the careful study of all pertinent documents in the matters submitted to the commission by the French language advisory committee of the Essex County Board of Education.

"Despite sincere efforts to bring about an agreement between the two parties concerned, Dr. Hugh Auld reported"—Dr. Hugh Auld, incidentally, was the mediator who had acted in this matter—"reported that he was not successful in his mediation.

"The education of French-speaking secondary school students in the Essex-Windsor area has been a concern for a number of years. The establishment of French language advisory committees in both Essex and Windsor provided the structure for a careful study of the situation. The commission is aware and appreciates the great amount of effort put into the numerous meetings involving parents and trustees, the petitions and the surveys that were made in order to arrive at a solution which would best meet the needs of these students. The Languages of Instruction Commission commends the boards, the committees and the parents involved for not allowing their differences of opinion to develop into open conflict.

"Both boards are also to be commended for their efforts to provide programmes for English-speaking students at the Belle River District High School, the Sandwich Secondary School and the Windsor School of Commerce.

"It is evident, however, that the present programmes do not provide the French-speaking secondary school students with an appropriate milieu or adequate motivation to make use of and enrich their knowledge of the French language.

"The commission is pleased to note the following with respect to the board of education for the city of Windsor.

"1. The board has agreed to purchase education from the Essex county board for its French-language secondary school students if a French-language secondary school is established in the county.

"2. The board has assured the Essex county board in writing that they will discontinue the bilingual programme at the Windsor High School of Commerce when such a school is established.

"3. The board does not disregard the possibility of reconsidering its general transportation policy for secondary school students at a later date.

"The commission has carefully studied the statistics and projected enrolments for a French-language secondary school in the Essex-Windsor area. Ministry of Education statistics show that as of September 30, 1973, there were 2,179 French-speaking pupils enrolled in French-language elementary classes in Essex county and 1,192 in the city of Windsor. A French-language secondary school attempting to serve the French-speaking population of Essex and Windsor would then have a pupil base at the elementary level of 3,371 students. In the 24 French-language secondary schools of Ontario actual enrolments have surpassed the projected enrolments in almost every case.

"Having carefully reviewed all the available information with regard to: Present educational services available in the French-language to secondary school students in both Essex and Windsor; the problems of location, distance and transportation; past surveys, petitions and projected enrolments; the French-speaking pupil base at the elementary level in both jurisdictions; current provincial trends; projected needs for secondary school space for both English and French-speaking students in the jurisdiction of the Essex County Board of Education"—having considered all these—"the Languages of Instruction Commission of Ontario unanimously recommends the following course of action to the Essex County Board of Education:

"1. That the Essex County Board of Education file a building proposal with the ministry to construct a secondary school of approximately 850 pupil spaces in the St. Clair Beach-Tecumseh area.

"2. That the school be designated a French-language secondary school.

"3. That the designation of this school be reviewed if necessary at the end of three years of operation.

"4. That a principal be appointed well in advance of the opening of the school and that he be available for consultation at the planning stage.

"Although meetings had to be arranged on short notice and at a rather awkward time,

the chairman and members of the commission were very pleased with the attendance and the interest shown by the large number of people who took time from busy schedules to meet in Windsor.

"We wish to thank most sincerely the chairman and the members of the Essex County Board of Education, the senior officials and the chairman and members of the French-language advisory committee for their excellent co-operation in the course of the work of the commission."

That letter to the Essex county board was signed by Mr. B. J. Kipp, the director of the Languages of Instruction Commission of Ontario, and represented the decision of that legally constituted body. That letter was sent on September 4, 1974. On September 16, 1974, the Essex county school board rejected the commission's recommendation.

At that time, as members of this House are well aware, there was no provision in the legislation for the enforcement of that decision. The legislation setting up the Languages of Instruction Commission provides for them to offer a decision. Our feeling at the passing of that legislation was that with the process of mediation that would go on and the stature of the commission, the process of the hearings held by the commission would encourage both sides to accept a decision of the Languages of Instruction Commission when they made a decision. However, there was no legal provision for that decision to be implemented and no legal provision for the Minister of Education to cause the decision of the Languages of Instruction Commission to be implemented.

Therefore we had, on September 16, 1974, the board rejecting the decision of the commission that a French-language secondary school be constructed, having no legal basis upon which to force the construction of that school. I decided however—because as the members know at that time I fully believed the school should be built—to involve the ministry very completely in using the good offices of the ministry and the people whom we had at our disposal to try again to achieve the building of that school in Essex county.

Mr. Foulds: Is this a filibuster?

[12:00]

Hon. Mr. Wells: No, it is not a filibuster; it's a historical outline of this whole situation which I think has to be put on the record, considering all the misinformation about it that is floating around.

Mr. Foulds: I didn't realize you had this fine sense of history.

Mr. Sweeney: Considering what you have done since 1969.

Hon. Mr. Wells: They probably don't even know anything about the events that I am now going to unfold to them. They will if they have read the compendium—

Mr. Foulds: Oh yes, we have.

Hon. Mr. Wells: —but they wouldn't if they hadn't received the compendium.

Mr. Foulds: It is only because of the paucity of Canadian history in our school system.

Hon. Mr. Wells: Well, I am making my little contribution to it now.

Mr. Foulds: Carry on.

Hon. Mr. Wells: What I am now indicating is that, even lacking legislative authority to implement that decision, and because the Minister of Education of the province at that time felt that that French-language school should be built in 1974, I involved people in the Ministry of Education in a process to see if we couldn't bring the parties together and achieve the resolution of this problem.

So one of our key employees, Mr. Doug Lawless, who many of the members will now know as the executive director of the Education Relations Commission, but in that time was the head of supervisory services branch in the Ministry of Education, was assigned to go to Essex county to work with the French language advisory committee, the Essex county board and the Windsor board to see if he could get a resolution to this problem.

On November 4, he met with the various boards. The boards agreed to consider the establishment of a joint committee in November 1974 to look at this problem and see how a French-language secondary school could be built in the area.

In 1975, of course, it became obvious that parts of the concern were financial matters, and Mr. Lawless spent a fair degree of time meeting with the boards to outline the various grant proposals and the kinds of things that would be available to the school.

I think it is fair in saying that certain concessions were made by the ministry to assist the Essex county board in building that school. As I recall, we recognized for grant purposes, or indicated we would recognize for grant purposes, the total cost of the school rather than a lesser amount. We gave them a guarantee that we would include in that

certain costs for servicing of the land and other costs concerned with getting the site ready for the school.

We also hurried ahead capital approvals for some other projects, because the feeling was that with a project of this magnitude other needy smaller projects in Essex county might be neglected because the total allotment of money for that area would be used on this one school.

These things were all arranged at that time and we then arrived at April 7, 1975, when the board passed a motion agreeing to build the school. I think the members have that in their compendium. The motion was passed by the Essex county board to build a French-language school, and I think that perhaps it might be well to read that into the record:

"It was the decision of the committee, though not unanimous, to recommend to the board the construction of a French-language secondary school with rated capacity of 750 students, to include composite school facilities on a site deemed readily accessible to the students from Essex county and the city of Windsor, the target date for the opening of such a school to be September 1977. It is a condition of the recommendation that during the school year 1979-80 if student projections for September 1980 are less than 450 students, that is inclusive of the 125 guaranteed by the city of Windsor, the designation of the building as a French-language secondary school shall be reviewed for purposes of considering alternative programmes and space utilization.

"The committee agreed to recommend, as well, the following sequence of events:

"1. A 10-year agreement to be signed with the Windsor Board of Education whereby a minimum of 125 students annually will be guaranteed.

"2. A site to be selected as soon as possible following the signing of the agreement above.

"3. An architect to be appointed to work on preliminary drawings (on condition that the proposal is approved by the ministry).

"4. A building proposal to be filed with the Ministry of Education. The timing should be such that construction might commence in the winter of 1976 with the school completed, equipped and ready to open in September 1977. In the initial year the school should plan to operate with students in years one, two and three.

"5. The principal for the new school to be appointed to be effective January 1, 1977.

"6. As of June 1977, courses in français in the Sandwich Secondary school and French-language courses at the Belle River District High School to be phased out."

That, Mr. Speaker, was the recommendation of the committee which went to the Essex County Board of Education and passed by the board. At that time also, the agreement referred to concerning 125 students from the city of Windsor was signed between the two boards. Built into that agreement was a backup commitment by the Ministry of Education that we would guarantee that there would be grants covering 125 students from this source even if the actual number of students from Windsor sank below the 125 level. So for the next 10 years the Essex county board was guaranteed either students or payment for students equivalent of 125 from the city of Windsor.

In August 1975 we allocated \$3.8 million to the Essex county board for the construction of the French-language school. In November 1975 the board presented a building proposal to our regional office. The regional director of education issued an approval on November 25, 1975, to the board for the proposed construction of the French-language school. The estimated cost was to be \$3,810,591.

On December 18, 1975, we sent out to all school boards our financing plans for 1976, and as hon. members will recall there were some changes in rates of grant support in those new plans for 1976. We were in the midst of a restraint programme and the rate of grant per capital building at that time was changed from an average of 95 per cent to 77 per cent across the province. I think the reasons were outlined very clearly at that time.

Subsequently, the Essex county board indicated to us that because this change in rate of grant would apply to the Essex county school, they would have to reconsider the matter. I think it should be pointed out here that to the best of my knowledge I can recall no other board in this province reconsidering capital plans that they had in the works at the time of our proposal, notwithstanding the fact that our rate of grant was going to be different. I think that has to be said.

Indeed, I think the opposite was true. Most boards, notwithstanding what our new rate of grant would be—which incidentally meant that we had a little more money to spread out for a larger number of projects—were asking us for more approvals than we could

approve rather than drawing back and saying, "Because you've changed your rate of grant, we will not go ahead with the project which we had planned."

However, such was not the case in Essex, and as I recall the matter was brought up and I had at least one meeting with the board and members of the French-language advisory committee.

On February 13, I wrote this letter, which I would like to read, to Mrs. Ashton, who is the chairman of the board:

"I wish to thank you and your colleagues for meeting with me on February 6 to share some of your concerns regarding the construction of a French-language school in Essex county.

"I hope that your board will stand by the original motion approving the construction of the school.

"As you know, the rates of grant for extraordinary expenditures announced by the ministry applies uniformly to all school boards in the province. I am sure that you will appreciate that an exception cannot be made for the Essex County Board of Education since many other jurisdictions would likely present a very strong case for similar consideration.

"The province does not have the resources at this time to accommodate such requests. Also, I should point out that at no time has this ministry ever guaranteed the rate of grant that was in effect when a project was being considered, or indeed when it received final approval that that rate would remain in effect for the full life of the debenture repayments.

"The impact of this year's rate of grant, as it relates to the construction of a proposed school would indeed be minimal. You will recall that the reconciliation of our respective calculations showed an approximate increase of \$1.35 per household per year for this project. You will also recall that some months ago I agreed to recognize for grant purposes the total costs of the project, as mutually agreed upon between the board and the ministry with every economy and planning and design being achieved.

"In addition, the ministry has advised the Windsor Board of Education that it would recognize for grant purposes the tuition fees for a minimum of 125 students paid to the Essex County Board of Education for the purchase of French-language education even if the number of students from the Windsor Board of Education who elect to attend the

Essex French-language school falls below that mark.

"Further, you will recall that the board's capital allocation for 1975 was increased by some \$500,000 to accommodate immediate needs that were brought to our attention. These capital projects were Belle River High School, Kingsville Public School and Essex District High School. At our meeting on Friday you expressed concern about the need for local improvements brought about by the construction of the new school. In this regard, I have asked Mr. R. F. Laughton, our chief architect of the ministry, to review the matter with your board and, where your board is able to substantiate the need, such expenditures will be considered as part of the cost of the project for grant purposes.

"I appreciate the concerns of all parties in this matter but I trust that the board will see fit to proceed expeditiously with this project which would not, in our opinion, impose an undue hardship on local ratepayers.

"Kindest regards,

"Cordially,

"The Minister of Education."

On February 19, 1976, Mr. Speaker, a sub-committee of the board, by a vote of four to three, recommended that the board proceed with the construction of the school. However, at a meeting of the board on February 23, 1976, the board defeated two resolutions, the first of which was as follows:

"Due to the severe restrictions recently imposed on all boards of education in Ontario, that the Essex County Board of Education cease all planning in regard to the construction of a French-language high school in Essex county."

That resolution, and I read it deliberately so that the members would understand the wording of it, was defeated 12 to 6. That was a resolution that they cease all planning on the school. The next resolution that was put to the board was:

"That the board proceed as planned with the motion of April 7, regarding the construction of a French-language secondary school." That motion was defeated on a tie vote 9-9.

Students began boycotting classes and certain problems occurred very soon after that in Essex county. It again became obvious to us, recognizing that we had no legal authority to force the building of that school, that we had to attempt to find a way to get the school built. Again, the ministry became involved in appointing another mediator, this time Mr. Robert A. McLeod, who is the

retired director of education from the Niagara South Board of Education, a board which incidentally has a good record in the provision of French-language programmes for Franco-Ontarians in its area.

Mr. McLeod on May 19 became involved in the situation and since then until the end of 1976 and early this year attempted to see whether there was a way to encourage the board to proceed with the undertaking which it had passed and decided to proceed with in 1975.

[12:15]

Mr. McLeod recommended to the board in early 1977 that the school be built and, as hon. members know, because this process has gone on for such a long time, the board—and in this case a different board because there had been elections—a different board, after listening to Mr. McLeod and after the presentation of his report which recommends the building of the Essex county French-language secondary school, decided not to proceed with the building of that school.

Mr. Swart: That is the kind of people we have in the Niagara region.

Hon. Mr. Wells: That's right. Mr. McLeod is a very fine gentleman. He was a fine director of education. He tried very hard not to write just a report but to see if there wasn't a way he could bring the people together—the French-language advisory committee and the members of the school board—to get them to proceed with the school which they had passed at one time and which for financial reasons, so the board put it, was not now proceeding with.

The only other thing which must be stated is that earlier this year I met with the board as a result of some of our ongoing studies in French-language education and in connection with some of the changes that we were making in this particular area. It was decided that the rate of grant for French-language secondary schools would go to 95 per cent. The general need on behalf of all the people of Ontario for these schools for the minorities—and I say French-language schools in this context, although in other parts of the province this could just as equally apply to an English-language school if that were the minority-language school—the need for that and the desire to have the people of this province as a whole pay a much greater share of the cost of those schools than the regular majority-language school, brought us to the decision that we would pay a 95 per cent grant, and I so informed the board.

I had a meeting with the full board on March 3, 1977, and outlined that change in grant. I must say, I really believed that having outlined that change in grant procedure, the school would proceed. Following our changes in grants for 1976, it meant that rather than \$117,000 a year over the 20-year life of the debenture being levied against the Essex county ratepayers, only about \$24,000 a year would now have to be levied under the new grant formula for French-language schools coming into effect.

I felt that having laid that before the trustees, the financial hurdle was out of the way and the project could proceed, knowing full well that preliminary plans, as a result of the earlier motion, had already been proceeding. There had been an architect appointed, sketch plans were in a preliminary stage and certain sites had already been acquired. However, it was not to be the case. After my meeting with the board, the board subsequently met and, by a vote of 12 to 5, voted against the building of a French-language secondary school in its jurisdiction.

I feel, as I stated earlier, that there comes a certain time and a certain place where action is necessary, and in this particular case I think this bill is necessary. We have in Essex county two groups—the French-language minority represented by the French-language advisory committee, and the duly elected Essex county school board. We have a dispute. We have a province which guarantees—and all of us in this Legislature represent that guarantee—French-language education to that minority group in this particular area. We have a precedent across this province for that happening; this is not a new, unique situation. We have, at this point in time, a moral obligation to settle that dispute here ourselves. We've tried mediators, the ministry has been involved, there's been a long process of encouragement and help with all parties to try and get a resolution to this. We now are at the point where the body that's going to settle this dispute is going to be the Legislature of the province of Ontario.

As for the Essex county board—and, as I said, I think a lot of the problem is a misunderstanding of what the school really is and what a French-language school is—having outlined to them exactly what it is, and that this is not a new, unique precedent for Essex county, the members of this Legislature, by passing this bill, are going to say, "We are now the mediators in this dispute; here's what we think should be done. We believe that you will respect the wishes of the Legislature."

I guess the thing that bothers me most is that, talking with some of the people down there, they say it doesn't matter whether we pass this bill or not, the school won't be built anyway. That bothers me and I think it should bother every member of this Legislature, because at a certain time and a certain place we have to take this kind of a role, and here we are acting as the mediator between two groups. We're going to express the opinion on behalf of all the people of Ontario concerning the Essex county school, and I firmly believe that it should be adhered to by the Essex county school board, and I hope that it will be.

I believe that if we unanimously support this bill we say to the Essex county board, "We realize your problems but that school needs to be built, indeed, must be built for the francophone minority in that area. We have acted as the mediator, we're resolving the dispute for you now, here's the solution, carry on, go ahead and build the school."

Therefore, Mr. Speaker, I hope that all members will support this bill and that we can then proceed to have the school built and open in as short a time as possible in Essex county.

Ms. Gigantes: I rise in support of Bill 31 and I do so with a mixture of pleasure and pain. The pleasure I feel comes from the knowledge that after eight years of being denied, the francophone community of Windsor and Essex will have access to a French-language secondary school. The pain I feel comes from the knowledge that it has required an Act of the Legislature of Ontario to ensure that the school be built.

The eight years of events which the Minister of Education has retraced for us and which have brought us to this debate, are a testimony to failure. The French-language secondary school of Essex county should now be six years old, and its students and its graduates should now be living proof that cultural diversity is cultural and social strength.

The people of Windsor and Essex county should now be enjoying the satisfaction of having worked together to create a French-language school second to none in this province; but none of this is the case and the bill before us is a bill which must cause us to reflect on our failures.

I draw to your attention section 2 of the bill, which reads: "On the day upon which this Act comes into force, the board is deemed to have passed a resolution to construct a building suitable for a school to accommo-

date 750 French-speaking secondary school pupils." These are sad words, Mr. Speaker. By an Act of this Legislature the Essex County Board of Education will be deemed to have passed such a resolution. It will be deemed to have passed the resolution because it has refused to pass the resolution, and the people of Ontario, represented here in this Legislature, have decided that the resolution must be passed and the school, which should now be six years old, must finally be built.

I doubt there's a person in this province who would find it easy to vote for a bill which represents the overriding of a clearly expressed local and democratic decision of a board of education. It's a painful decision. It represents the majority of this province declaring to the majority of a local community that the majority of the local community must comply with the decisions of the provincial community on a question which has always been decided by local communities.

As the minister has noted, this is not the first time in the history of our provincial community when we have seen division and misunderstanding about the need for a French-language school—not by a long shot—but it is the first time in the history of our provincial community when we've had to have an Act of the Legislature to guarantee the building of a French-language school.

In my own mind—and I am sure I'm in good company in this House and in this province—the only reason, the only conceivable reason that would bring me to support a bill of this kind is that I feel it is the only remaining method of ensuring the protection of a minority whose legitimate rights have been denied.

The bill before us is a denial of democracy at the local level. We have to be clear about that. We are, in supporting this bill, dismissing the considered, the too-long considered, decision of duly elected representatives of the majority of electors of the Essex County Board of Education. We cannot do that without a decent, solid and defensible reason, and the reason must be that we are committed to a decent, solid and defensible principle of democratic society: that the majority must respect the rights of the minority.

Let me speak to this principle with some of the passion of a person who was raised in a minority group. I grew up in the Ottawa Valley on the Quebec side of the Ottawa River. My home life, my school life, my social life, my medical life, my legal life,

my work life all were carried on in the English language. My family background was anglophone for several hundred years and the history of that family and all its literary and spiritual supports were anglophone.

The dates of births and deaths in the old family bible were recorded in English. The bible itself was the lovely version of King James. The stories of my forbears were passed from one generation to the other in the same language that my forbears had spoken. My parents took delight in the richness of that language and now, in times of parental need, I quote my father's favourite phrases from Shakespeare and the King James version to my child.

I am old enough now to appreciate that all these elements of language and culture are an important part of me as an individual. They are the means through which I can feel my roots as a person. They gave me the security and confidence to question passing fashion and to search for the goals of the spirit. They are vital to me as a person.

Let me remind you, Mr. Speaker, I was raised in the province of Quebec. Do not think for a moment that my experience was unique. In every part of Quebec the children of the English-speaking minority have enjoyed this same cultural experience for centuries. We did not even consider it a luxury; we thought it was a natural right. There was much that we did not understand.

[12:30]

This was no natural right that we enjoyed. It had to do not with the King James version, but rather with St. James Street and the incredible power of high finance controlled by an elite group of English-speaking people in the city of Montreal. We were ignorant of that fact and, with all respect to my dear parents, they too were ignorant of that fact.

It's really too much to ask that a coal miner from Cape Breton and a teacher from Placentia Bay, Newfoundland, be capable of analysing the political and financial determinants of a comfortable anglophone cultural life in a town like Aylmer, Quebec, in the 1940s. But I, with my much easier life, have a responsibility to look back and reflect, or so I feel. I feel I must acknowledge the richness of my personal background, and I must pay tribute to the confidence of the cultural heritage which I enjoyed. And all this was in a province where the vast majority of people spoke French.

It was a dream world and we thought it operated on something akin to natural rights. How naive we were and how well we can see

it now, now that the francophone majority in Quebec is finally asserting itself through the ballot box. The francophone majority has finally come out of its own dream of eternal existence and begun to recognize that its cultural roots will disappear in the next two generations if no positive action is taken. But what they will decide is their decision alone, in my view. The luxury of cultural confidence I enjoyed as I lived in the province where they were the majority is something to which I will pay tribute for as long as I live.

At this point, I'd like to throw in a bit of specific information about schools in Quebec. I attended an English-language school, right through to junior matriculation, in the small town of Aylmer, Quebec. It was one of many English-language schools in the province of Quebec, well funded and with a good educational programme. It was something we expected. We are told now, and we know now, that we have constructed and run programmes of French-language instruction in 24 high schools throughout the province of Ontario. The French-language minority in the province of Ontario and the English-language minority in the province of Quebec are roughly equal in numbers. In Quebec at the moment there are 183 English-language high schools. And I think it is important to add that piece of information to this debate.

Let me hypothesize, Mr. Speaker. Let me suggest that I might have come into this world as the child of French-speaking parents in the province of Ontario. Would I even be participating in this debate? Could I feel secure that my grandchildren would understand something about me because of stories told in the language I now speak? These things are vital to individuals; they are vital and they are often neglected by majorities which do not understand that the true measure of a democracy is the fate of the minority.

A few weeks ago a young man came to see me, accompanied by his brother. The young man is deaf, and his brother came with him so that I'd have a translator of sign language. This young man is one of the few totally deaf people in Ontario who has a full-time job. He works for the Post Office and, on the side, he is a long-distance runner of some note. He would like to participate in the Silent Olympics, being held this year in Caracas, Venezuela, and he came to see me because he needs government funding.

He learned to read and write at the Provincial School for the Deaf in Belleville. He's a beautiful, happy, ambitious and disciplined person who is a kind of supermodel of how

a person who is handicapped by deafness can add to this world. He comes from a franco-phone family. When he learned to read and write and talk through signs in Ontario, he learned in English. His brother who worships him, has had to train himself to sign language and the sign language they speak is English.

Let me tell you, Mr. Speaker, I can hardly bear to watch them communicate without crying out in anguish. They sit there and they talk to each other in English sign language. Why should this be happening in Ontario? Surely we are confident enough of ourselves that we can be more feeling? Surely we are sure enough of being a confident, understanding majority that we can take positive initiatives to ensure that individuals who are born into a minority group in this province are treated with individual respect?

I would like to read a short section from an infamous paper. This is the infamous white paper on language rights in Quebec. I would like to read a section because I think it relates directly to what I am trying to express here.

"French must become the common language of all Quebecers. This first principle leads to a second, which is in no way a giving in, still less any sort of machiavellian concession; that is, respect for minorities. Any vital society must look upon the contributions made to it by reason of its own diversity as an indispensable source of enrichment.

"One need only consider what the culture of our first inhabitants, the Indians, has given us and which Quebecers have integrated into their own lives without, unfortunately, always realizing its source. The same must be said of the culture of the English, the Italians, the Jews, the Greeks and many other ethnic groups which affect the lives of all Quebecers.

"Although Quebec wishes to be a French society, it has never been, nor would it wish to be, what some call a tribe. In this respect, as in others, Quebec must not be merely tolerant, it must expect and invite from other cultures which constitute it the essential vitality inherent in them. In effect, the fact that Quebec is exercising its right to be French in no way prevents groups and individuals from knowing and speaking another language or even several other languages.

"The minority groups—this ambiguous expression must be used not only because it is in common usage, but also because nothing better has yet been found—will, of course, be able to preserve their language and pass

it on to their children. English in particular will always hold an important place in Quebec, not only because it is the language of communication in North America, as we hear repeatedly, but also because it is part of the cultural heritage of Quebecers.

"Nevertheless, in a Quebec which lives in French, it is natural that all its citizens, whatever their ethnic and cultural origin, should be capable of expressing themselves in French, participating fully in a French society, and conceding that French is the common language of all Quebecers.

"The government recognizes that an English population and an English culture exist in Quebec. Even though they have for too long been isolated in a network of institutions separate from but parallel to those of the French, this population and this culture constitute an irreducible component of our society."

From another section, the final section of the language white paper: "During the Riel affair, or the historic battles for French schools in the Canadian west and in Ontario, or the conscription crisis, whenever there has been serious political tension, French-speaking people have been the ones to entreat, to beg, to rebel, or to passively resist.

"Never before have they had such firm political leverage to ensure that French rights are respected. With such freedom to act, however, French-speaking Quebecers must also be aware of their new responsibilities. As long as they could play no other role than that of members of a begging minority, their claims were only a problem for the conscience of those in power. As soon as they become members of a majority, however, they come of age and must assume responsibility for the rights and the respect of the minorities."

I read you this white paper, Mr. Speaker, perhaps as a token of my appreciation of the fact that the sentiments expressed in those two sections are sentiments which in my life, growing up in English Quebec, I found supported in everyday ways. Quebec has always behaved in that way. We hope the sentiments expressed in the white paper will ensure that Quebec continues to behave that way, but what it calls for from us here in Ontario is to set a model of behaviour on our own.

This bill, Bill 31, is a tribute to our new-found principles. I suspect the motives for this new discovery. I suspect those motives are involved with the defence of traditional power in this country. I suspect we are about to pass this bill because traditional power in

this country is challenged and it is trying in a hurry to clean up its image.

I support this bill on old principles; for example, the old principles that have to do with doing unto your neighbour. I have been a minority neighbour; I have been well treated. I will insist, when I am part of the majority, that my minority neighbour deserves those same personal rights. They have been vitally important to me, and I think I am very much like other people.

I reject all political excuses for this bill. This bill is before us because the government of Ontario has failed to foresee its responsibility to talk about the important issues in a real democracy—the rights of the minority and the importance of conserving individual cultural roots.

For a Conservative government, this government is a simple mockery of conservative principles. Just at the point when the general populace in true democratic fashion is beginning to insist on conservative values, this government has turned into a small replica of the big-L Liberals: whatever is, is right. Levesque is in power in Quebec, so the Essex school is deemed to have been chosen by the Essex County Board of Education. What nonsense and what a failure.

How could this 34-year-old government have arrived at this point? Why did it fail to speak of the rights of the individual and the rights of minority groups years ago? Why did it not set about to enlighten the locals in Essex county about these principles, these important Conservative principles, way back in the days when the Minister of Education was the man who is now Premier?

I support this bill, but I support it with resentment. If the Premier were a true Conservative and a true Conservative leader, we would not have to face a bill such as this. If he had a real feeling for Conservative values, for the cultural rights of the individual person and for the rights of a minority group in a democracy, we would now be congratulating ourselves for six years of excellent francophone education in the Windsor-Essex area.

There is an extra bit of irony to all of this. In 1974 the separate school board of the county of Essex passed a resolution in which it declared it would be more than happy to build a secondary school for the French language in Essex county. As we all know, this idea is unacceptable to the Conservative government. That particular bit of irony also makes me very angry.

[12:45]

It is almost more than I can bear to listen to the Premier of this province and his Treasurer when they talk about Conservative principles in their Throne Speeches and budgets. Those are not principles; those are kowtows to power, brute power. Nothing more, nothing less. When the Premier and the current Minister of Education discover the Conservative principles in the eight-year battle about the French-language school in Essex, I feel bitter. I ask myself, "Where is the power play today?"

Mr. Speaker, I will support this bill. I am a conservative in the old sense. I support the principle of individual rights, individual rights to a cultural security and the rights of a minority in a democracy. Therefore, I will support this bill. Therefore, also, I will call upon this government to have some mercy for the local majority which is about to be called a provincial minority, in this bill, in Essex-Windsor.

I beg this government to give some special consideration to the crushed majority in Essex-Windsor which would welcome some special funding so that its children could have the opportunity to learn French. I feel that it is exceedingly important for this government to make special funding provisions for the teaching of second-language French to the sons and daughters of people in Windsor-Essex. It would be common decency, it would be a decent conservative move.

My colleagues in the official opposition will add many other points to this debate. Each one of us who speaks will speak from personal experience of and personal conviction toward the principles of this bill. We speak with the belief that the bill, sad as it is in its implications, is a bill which must now be passed because of our past failures. We speak with the hope that we will know how to avoid such failures in the future.

We speak in the belief that the future will find Ontario prepared to defend conservative principles for the sake of those principles, and that our ability to identify and preserve conservative principles will help us to create a province of energy, co-operation and harmony. We have faith in the people of this province and we support this bill to reaffirm that faith and to turn the last page in a painful chapter of our past failures. Thank you, Mr. Speaker.

Mr. S. Smith: In leading off for my party I will try to make these remarks reasonably brief. In many ways this represents a sad day for the Legislature of Ontario. To have to take action that we now are forced to take is evidence that collectively we've let this situa-

tion get out of hand to a point where an honourable and equitable solution at the local level could not be made.

The only bright side to this matter is that it gives this Legislature an opportunity to affirm its support for the principle of minority rights and, in particular, for linguistic rights in the province of Ontario. In a liberal democracy such as ours minority rights are essential, and especially in Canada on the issue of language.

I want the position of the Liberal Party clearly understood. We support the purpose and intent of this bill. In fact, both the opposition parties called for such government action earlier, once it was clear that a fair local solution could not be found, and it was only after the two opposition parties spoke in this way that the hon. Minister of Education made his decision.

Our decision has been made more difficult because if there is anything that we as Liberals feel very personally dedicated to it is the concept of local autonomy. We feel that altogether too many decisions are made centrally and imposed on local communities. We feel that one of the great failings, for instance, in the regional government idea—which in itself was not a bad idea—was in the way in which decisions were removed from local people and put into another level of bureaucracy, more distant from people. So, it is not easy for a Liberal to take, without the greatest of misgivings, the steps proposed in this bill. However, in this case, it is very clearly our view that the principle of fair and equitable treatment of Ontario's francophone population must take precedence over the matter of local autonomy.

We trust that the government will not see the passage of this bill as being all that it has to do for the Franco-Ontarian community. I have this gnawing feeling that I've been through this before—although not as a member of the Legislature—when the government, as a substitute for a decent transportation policy in Ontario, chose the symbolic issue of Spadina and then went around during an entire election campaign recommending themselves as experts on transportation, as the consequence of that one decision. I suspect we're going to see the same thing with regard to land use. As you know, in that area the government is lacking a policy—has a rather abysmal lack of policy—and I suspect they will trumpet about the few acres of Niagara that were saved as a great indication that they're experts in these matters, that they have nothing more to worry about.

I have a great fear that the national debate with regard to the future of our country will in some way be subverted by the government constantly pointing to the fact that they brought in this Essex bill as some indication that they think their record with regard to Franco-Ontarian rights is an excellent record and one with which we can be satisfied. I don't think it is. And I said, as long ago as December 16 and even before then, that we in Ontario have made some progress with regard to the rights of our Franco-Ontarians and the services available to Franco-Ontarians. I welcome the progress, but we have a very long way to go, even to get to the level of services and rights enjoyed by anglophones in the province of Quebec.

I feel that this action must not become a sort of Spadina decision, a mighty rocket salvo which soon fades, leaving little of substance behind. I hope this government knows that much more must be done in the area of justice—where francophones can, today, obtain trial in the French language only in Ottawa and certain experimental situations. I believe that it's on Thursdays in Sudbury. That is disgraceful and has to change.

I trust that the government also understands the need to improve Franco-Ontarian services in health; that has been documented very well in the Dubois report. I trust that it understands these shameful discrepancies between this province and our neighbouring province of Quebec, in terms of the minority language provisions in post-secondary education. This discrepancy is something over which Ontario needs to hang its head. So, whenever the matter of Franco-Ontarian rights and services are brought up in the national context—and in Quebec, and in Ontario, and in any election that might occur—I trust we're not going to have the government beat its breast and point to the Windsor matter as evidence that it is really on the ball, because it most certainly is not in this regard.

The government knows that it will have the support of both opposition parties when it moves forward in the area of Franco-Ontarian rights.

I want, as an Ontarian, to give the lie to Premier Levesque's attempts to cut back on English language services in Quebec because, as you know, they always state there that Quebec will be as French as Ontario is English. By our actions in this Legislature, we can demonstrate clearly that our French language rights and services can serve as a model for language equality in Canada. We

should not be lagging behind. We should be up to that level and ahead of that level; I've said this before in this Legislature, as you know. Let's not give the separatists any ammunition to use against us and against Canadian unity. Let's all work collectively and co-operatively to expand language rights.

What is sad about this piece of legislation is that it need never have been introduced. The preamble to the bill itemizes a sorry record of government hesitancy and inaction which finally forced the issue to its present conclusion. Had the ministry moved to assist in April, 1975, when the board voted in favour of the school, the whole situation could have been settled with less turmoil. If the Premier had gone in, as I requested him to do, and lent the important prestige of the office he holds in trying to explain to people in the area what was needed and why and what the situation was, then the matter might have been settled.

Let me say this. I can understand how the people of Essex county must feel. I have been there very recently and talked with the people of that county and I tell you, Mr. Speaker, they see themselves as being unjustly attacked as bigots. They feel they are being held up as examples of bigotry and prejudice and they don't like it.

I can understand why they don't like it, because my experience with those people is that they are not bigots. They are reasonable people living their life much as all of us try to do, doing what they think is best and what they think they understand. They have their own ideas about how they can live together with their French neighbours—I am speaking now of English-speaking people in Essex—and the French-speaking people have some of their own ideas as well, and not all of them, of course, are necessarily of one mind on the subject.

These are fine people and they are caught in a web which was essentially brought

about by lack of clear government action. Our party would have preferred general legislation that did not single out Essex county but which would have changed in the various Acts the word "may" to "shall," so that every francophone in Ontario would know what the grounds rules are and would know that there are minority rights which apply everywhere in the province, and not simply leave it to the local jurisdiction to decide as it is now and then single out Essex county and make it an example of some kind and deem that it has made a decision which it has not made.

We would have preferred general legislation and such general legislation could have received the support of our Essex members and many more of the Essex county residents themselves. Nonetheless, we recognize, in the nature of the present situation, the need for action.

At the time the Minister of Education announced that he would ensure the establishment of this school, when I congratulated him, and he will remember that, I said: "If we are going to convince the ordinary citizens of Quebec that they can be first-class citizens in Canada, Ontario has to be the showplace. If we can't do it here, we can't do it anywhere in the country."

Therefore, Mr. Speaker, the Liberal Party will support this bill. We feel the school must be built. We will continue to support the government on any action it takes to expand and to enhance language equality in Ontario.

Mr. Deputy Speaker: Would someone care to adjourn the debate?

Mr. Bounsall moved the adjournment of the debate.

Motion agreed to.

On motion by Hon. Mr. Wells, the House adjourned at 1 p.m.

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Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, APRIL 25, 1977

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

HOME RENEWAL PROGRAMME

Hon. Mr. Rhodes: Mr. Speaker, later this afternoon at the appropriate time I will be tabling a report entitled, *An Evaluation of the Ontario Home Renewal Programme*. This report contains the findings of an independent survey carried out by the consulting firm of Peter Barnard Associates.

In reading the report, members should note that the survey is based on statistical data gathered from the more than 400 municipalities that have participated in the Home Renewal Programme. In-depth interviews were conducted with municipal officials and other persons in 25 municipalities and a questionnaire survey of residents was carried out in six municipalities—Cornwall, Kenora, Sarnia, Sudbury, Toronto and Windsor.

The results of the survey indicate that the Ontario Home Renewal Programme has been highly successful and has been a valuable tool in helping my ministry meet its objective to help to preserve and upgrade the existing housing stock in the province.

As with any programme, there are areas where changes can be made, and this report contains recommendations for modifications and minor refinements. It also recommends that the programme be continued.

The government announced earlier this year that the Ontario Home Renewal Programme would be extended for one more year, that is until March 31, 1978. But before any decisions are taken for beyond that date, I think it is important that those communities involved in the programme be given an opportunity to respond to and comment on this evaluation.

I will therefore be forwarding copies of this report to all municipalities which have participated in this programme and ask them to give me their comments by May 30 of this year. The report will also be provided to the members of the Provincial Municipal

Liaison Committee and to the hon. members of this House.

Mr. Kerrio: How about a statement by the Premier?

Mr. Lewis: I will defer to you if you would like to make a statement.

Hon. Mr. Davis: I haven't thought of one, but I will think of one.

Mr. Lewis: Okay. Well, we'll still be here at 6. Don't worry.

Mr. Reid: Just one word: "Go."

ORAL QUESTIONS

LAKE POLLUTION

Mr. Lewis: May I ask the Minister of the Environment the following: Does he recall that back on July 27, 1976, in a private memorandum to cabinet, the Minister of Natural Resources, dealing with fishing in waters where fish were contaminated, made the following recommendation—and please forgive me for using his preposterous words—I quote: "Do not prohibit angling on any water where it is known that at least some of the fish are contaminated, and continue to make available for leasing for private and commercial recreational purposes." On September 17, 1976, the cabinet committee on resources development had a memo which indicated that it agreed with the general approach proposed by the minister.

Can the Minister of the Environment confirm that this is now government policy, and what further specifics flow from that?

Hon. Mr. Kerr: Mr. Speaker, since the hon. member asked the question of the Minister of Northern Affairs (Mr. Bernier) last Friday—as it was issued over his signature when he was Minister of Natural Resources—I made some inquiries and what the hon. member has indicated was generally the discussion that took place. As far as government policy is concerned, the answer to that is no, that still has to be approved by cabinet and by the government. I expect it will be dealt with

very shortly, as the hon. Minister of Northern Affairs indicated on Friday.

Mr. Lewis: By way of supplementary, since the minister, according to the memorandum I have covering a number of divisions within the Northern Affairs and Natural Resources ministerial areas, appears to have taken this rather further down the road, and since obviously there is increasing concern in Ontario, will the minister not now in advance of his compendium release all of the information on the levels of contamination in various species in various lakes, since obviously he can't wait another two months while anxiety is heightened?

Hon. Mr. Kerr: No, Mr. Speaker—I shouldn't say no. The answer at the present time would be that up until now, we have issued bulletins or releases dealing with approximately 90 lakes. That has been an on-going release of information that was handled by the Ministry of Health until the first of this year and has subsequently been handled by my ministry.

As the hon. member no doubt has seen, a number of these releases or bulletins deal with various lakes in certain parts of the province. This information is released just as soon as we have the analyses from the Ministry of the Environment laboratories which have the responsibility of analysing fish. This has been going on now for a couple of years and I expect to release another bulletin within a week covering 23 more water-courses, which will make the total about 107.

The booklet or guide to which the hon. member is referring will contain roughly 150 to 160 lakes and rivers. I will make sure that the difference, which obviously is available now, added to what has already been released by way of bulletin, is tabled in this House within the next week.

Mr. Reid: Supplementary: In view of the fact that the fishing season opens within about three to four weeks, can the minister indicate when this booklet, with the compendium or without it, is going to be made available to the people who are fishing on these lakes?

Hon. Mr. Kerr: As has been mentioned on a number of occasions, it is not a question of releasing the booklet as some of the media indicated, it's a question of getting it printed in sufficient quantity to distribute around the province. We're hoping that will be available in June. But in the meantime the information we have, dealing strictly with fish levels in specific lakes, can be issued before that time.

Mr. Ferrier: Supplementary: Other than further testing of fish to determine the mercury levels that may be there, is the ministry making any study as to the source of the mercury—whether it's natural or whether there is an industrial or other source of it?

Hon. Mr. Kerr: Yes, Mr. Speaker. When we completed the analysis of fish from Lake Simcoe last fall and subsequently from the Muskokas, the Lake of Bays, where there are no known sources of mercury contamination by conventional industrial sources, we have undertaken a study of those areas to find out just what the possible source can be and whether it's more than a natural source or rock formation or sources of that kind.

The study we've undertaken in Simcoe started in January and has been extended to the recreation lakes in Muskoka because of the findings there. I would assume that it could be very well just a matter of manpower to extend it to the Timmins area as well.

Mr. S. Smith: In view of the fact of my question of last November regarding a list of lakes that contain fish with unacceptable levels of pollutants—in view of the fact that the fisheries branch in the Ministry of Natural Resources now says that they prepared an answer to that question last December—could the minister tell me whether it's his ministry or the Ministry of Natural Resources that's suppressing the publication, or at least the giving to me of the answers that the fisheries branch provided for the minister about last December?

Hon. Mr. Kerr: That information should come from the Ministry of Natural Resources—

Mr. S. Smith: But you're not suppressing it?

Hon. Mr. Kerr: No, we are not suppressing it, certainly.

Mr. Nixon: It is the Minister of Natural Resources. Great suppressor.

Mr. Bain: Could the minister indicate what criteria he uses in judging whether mercury contamination is natural or non-natural? I use the example of Lake Timiskaming. On various occasions he has said its contamination is natural and then on other occasions he said it originates from the mills that used to be the Cobalt area. I was wondering when the people might have a definitive answer on Lake Timiskaming.

[2:15]

Hon. Mr. Kerr: I'll have to look at that particular lake, Mr. Speaker. It's quite possible that the early information indicated it was from a natural source. I think that a natural source may be part of the problem in the hon. member's area; however, old mill tailings areas and old mining operations, of course, are always a possible source of mercury content.

OECA PUBLICATION

Mr. Lewis: Never knowing how much time is left around here, I must ask the government House leader this question: Does he know, or is he aware, that there is a document circulating through the Ontario Educational Communications Authority, called *The Political Climate—1976-1980: A Planning Overview*, prepared by their corporate division in May 1976, which indicates an obsessive and slightly paranoid preoccupation with politicians, the use of moulding political behaviour and opinion, gratuitous comments on politicians and on the councils that are advisory to the OECA? Has the document been brought to his attention?

Hon. Mr. Welch: No, Mr. Speaker.

Mr. Lewis: By way of supplementary, might I ask the minister to read the document and comment on observations such as: "The Ministry of Education: OECA's main difficulty in connection with this ministry is Tom Wells." Or on the Conservative Party: "At best, Mr. Davis will remain leader for another three or four years, which means a change in the leadership of the party within our five-year planning horizon even if the Conservatives remain in power"—

Mr. Breithaupt: It may mean a divorce for the member for Ottawa South (Mr. Bennett).

Mr. Lewis: —and a limitless corps of observations of that kind strewn throughout the document, albeit some obviously perceptible?

Hon. Mr. Davis: We'll be here for another four years, yes.

Mr. Lewis: I would therefore ask the minister, could he possibly follow this up fairly seriously, given the often strange and disconcerting behaviour of OECA as they deal with politicians and the public and their various advisory councils? I'll send him a copy.

Hon. Mr. Welch: It's obvious that I'm not on the mailing list for the brown envelopes

that are distributed throughout government, Mr. Speaker.

Mr. Lewis: Touché.

Hon. Mr. Welch: But, number two, I take it, we need very little further evidence of the autonomy of the board of OECA.

Hon. Mr. Rhodes: Who needs freedom of information?

Mr. Lewis: Brown envelopes have begun to flow again.

Hon. Mr. Davis: I suspect it was a friend of the Leader of the Opposition who wrote that report.

LAKE POLLUTION

Mr. S. Smith: I would ask the Minister of Natural Resources if he would please explain how it is that the fisheries branch of his own ministry had prepared an answer to my question of November regarding the polluted lakes in Ontario and that he had still written me in March saying that he and the Minister of the Environment are still working on the answer? Why has that answer not been given to me?

Hon. F. S. Miller: I believe, Mr. Speaker, there was not only a letter; I thought there had been some oral communication telling the hon. member that we were trying to prepare the whole package. And it wasn't just two ministries; a number of ministries, including the Ministry of Health, were involved in preparing a reasonable package to inform the public, not only of the specific information about mercury levels in specific lakes but also of the risks of mercury and a number of other pieces of information which we thought would be of very real value to the people fishing or likely to be eating the fish. This is taking a fair amount of time. In fact, it is being proceeded with as quickly as possible; that much I can tell the hon. member.

Mr. S. Smith: By way of supplementary, there's always the chance that I don't quite understand the answer, but let me ask the minister whether he thinks it's reasonable that an elected member like myself should ask for information, that the information should be ready and available and yet that it should not be given to me as an elected member? Is that reasonable while the minister works on some pamphlet that he wishes for public distribution? Is that the way the minister treats the Legislature?

Mr. Lewis: Oh, contempt, indifference.

Hon. F. S. Miller: It is not, Mr. Speaker. As a matter of fact, I think my record in giving information in this Legislature is pretty good. I intend to keep it that way.

Mr. Ruston: Like closing hospitals.

Mr. Roy: In fact, it's too good; that's why you are there.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: I thought the hon. member understood that we would have a package of information available that was useful in a very broad way for a number of people. I'll be glad to check to see, for the member's personal use, if some part of it may be raised at once.

Hon. Mr. Davis: Going fishing?

Mr. Reid: Supplementary: Can the minister indicate what information will be available through his offices and licence issuers to people who buy fishing licences for the season starting on May 21?

Mr. Speaker: Order, please. That has nothing to do with the original question about the polluted lakes and what have you.

Mr. Reid: If I may, Mr. Speaker, it has to do with the pollution in the lakes—so that the people know what lakes are polluted—

Mr. Speaker: Order, please. This is an important question. We can come back to it later.

BINGO REGULATIONS

Mr. S. Smith: I will ask a question of the Minister of Culture and Recreation, Mr. Speaker. Can he explain why one of the officials in his ministry informed the church-affiliated sponsors of the nightly bingo at the International Centre on Airport Road that it must stop busing people from Hamilton, Brantford, Toronto, Acton and Collingwood to attend its charitable bingo operation?

Hon. Mr. Welch: Mr. Speaker, that question should be directed to the Minister of Consumer and Commercial Relations.

Mr. Speaker: Do you redirect it?

Mr. Nixon: Does he run the bingos?

Mr. Speaker: The question is redirected by the minister.

Hon. Mr. Handleman: I don't know about the specific instance, but there have been rules issued that those people who are running bingos must keep their expenses within a certain percentage of the gross—I believe it is 20 per cent—and must return 15 per cent to the charity that they are supposedly supporting by the bingo.

I don't know that particular case. I would be glad to look into it to see whether or not that is the reason why. But the busing costs money, and if the busing brings them over the expense limit, then it may have been very well suggested that's one way they can get within the limit.

Mr. Nixon: You let the Jockey Club bring them in from all over.

Mr. S. Smith: By way of supplementary: Would the minister kindly look into the fact that it is alleged that a Mr. Fisher and a Mr. Don Spade of his ministry informed a Mr. Doyle that it was not permitted for people in one community to play bingo in another community? Furthermore—you know, big daddy government is getting bigger all the time—

Mr. Nixon: They can't drink beer but they can play bingo.

Mr. S. Smith: —they renewed the bingo licence only to June 30 on condition that buses are stopped by that time?

Mr. Lewis: Oh, shame. Resign.

Interjections.

Mr. Speaker: The hon. minister only, please. Order, please.

Mr. S. Smith: I recognize it isn't as important as internal memoranda on the OCEA. I recognize that, but it does affect a number of people.

Hon. Mr. Handleman: Mr. Speaker, I will be glad to look into those allegations.

AID FOR HAMILTON

Mr. Deans: Mr. Speaker, I have a question for the Premier: Since Hamilton has unfortunately not been able to acquire the Pan-American Games and since the province of Ontario indicated a willingness to make up

to \$17 million available for the purpose of providing facilities—

Mr. S. Smith: Could we have it anyway?

Mr. Deans: —and other matters related to the Pan-American Games—

Mr. Shore: Will you settle for \$12 million?

Mr. Deans: I will settle for \$12 million; is that an offer? Would the government—

An hon. member: You get Marvin as well. That's the problem.

Mr. Deans: —recognizing that part of the initiative surely was to create employment in the area—

Mr. S. Smith: How about \$6 million and a draft choice?

Mr. Deans: —consider three projects: A hospital in the east end of the city to meet long-standing needs—

Mr. Reid: Sounds like an election question.

Mr. Ruston: Here is his campaign speech.

Mr. S. Smith: You could call it the Pan-Am hospital.

An hon. member: And he wants to keep one choice until after the election.

Mr. Speaker: Order, please. Let's get the question, and then the answer.

Mr. Deans: I am just waiting for a break. A hospital in the east that has been approved by the Ministry of Health—

Mr. S. Smith: And a partridge in a pear tree.

Mr. Deans: —additional senior citizen accommodation in the east end which has been proven needed—

Mr. Nixon: That's good.

Mr. Deans: —and a stepping up of the sewer project in Winona which the minister agrees is required but for which there was no money available? Would the Premier use the money for those purposes and create the employment and meet the needs of the community in the meantime?

Mr. Breithaupt: And a new firehall in case—

Hon. Mr. Kerr: What riding is all that in?

Hon. Mr. Davis: I won't make one observation about the Winona request that I could.

In that these requests are all, of course, indirectly non-related to the hon. member's riding, I can understand him asking the question. I can only say, Mr. Speaker, in the same general way the question was asked, this government is always prepared to look at any reasonable request from any municipality, any board. We are most reasonable people on this side of the House and certainly we look at any reasonable request.

Mr. Nixon: You gave Hamilton a new arena before the last election. What are you going to do this time? You can use the money for an election.

Hon. Mr. Davis: Any allocation of funds, of course, has to relate to the priorities and the availability of money. I should also point out to the hon. member, who wasn't that enthusiastic about the Pan-Am Games initially—

Mr. Deans: Oh, not so.

Hon. Mr. Davis: Oh, well, I am sorry. I thought you weren't. I can only say to the hon. member that there is no question there would have been employment created but if memory serves me correctly the design for the major facility was to be a 15,000-seat arena, I think, for most of the indoor events, and the architectural work and so on hadn't started, so that there would not have been, in this current fiscal year, any capital expenditure. The funding, of course, was to be provided out of certain lottery proceeds.

There was no money in this year's budget to accommodate the possibility of the Pan-Am Games in the city of Hamilton—

Mr. S. Smith: But there is for an election. It's about the same time.

Mr. Speaker: Order, please. Order, please.

Hon. Mr. Davis: I really can't say to the hon. member that there is any funding there that is not now being used that we could use for other worthwhile purposes.

Mr. Deans: Supplementary: Am I to assume from what the Premier has said that if the city of Hamilton and the surrounding municipalities making up the regional municipality of Hamilton-Wentworth were to request funds for the purposes that I have asked about, since the government was prepared to spend up to \$17 million on the Pan-Am Games it might be prepared to entertain such suggestions for those projects, since they would equally create employment and provide needed facilities?

Hon. Mr. Davis: I think there were three projects that the hon. member was anxious that his constituents know he had expressed an interest in, and I understand that. I think the funding for the servicing in Winona might be available, as it should be in other parts as well, on a one-third, one-third, one third basis, and I think the hon. member knows that.

Mr. Deans: You said no.

Mr. Speaker: Order.

Hon. Mr. Davis: With respect to the possibility of a Hamilton East hospital, I think that's a matter being discussed by the health council in that community. As I pointed out, the funding for any of those projects would have to be out of general tax revenues. As I tried to explain to the member, none of the funding for the Pan-Am Games was coming from that source and none of it was in this current fiscal year.

As I say, this government is prepared to try to help wherever it can within the priorities and the financial limitations that are imposed upon all of us in this House.

QUEBEC LANGUAGE LEGISLATION

Mr. Roy: If I may preface it by applauding the Premier's statements of late on the question of economic association with Levesque, may I ask the Premier this: In view of the fact that he is apparently seeking a legal opinion on the question of the white paper, and in view of the fact that he has made a full statement in this House in his commitment on Monday, April 4, how does he hope to acquire credibility with the majority of the people of Quebec or even with the majority of Franco-Ontarians when he still has on his books legislation that reads such as this—and I am reading section 127 of The Judicature Act, which states: "Writs, pleadings, proceedings in all courts shall be in English only."

Hon. Mr. Davis: I think they are two rather distinct issues, and the hon. member, with his legal training, I'm sure would understand that. I don't want to get into any sort of provocative discussion—I don't mean provocative in terms of the House—but I made my observations as related to the option that has been presented by the Premier of Quebec and some of his ministers and, I assume, the government, as to the question of economic union or association.

I made my statement in Montreal; I repeated it here a week ago this evening, although it was somewhat lost sight of in the midst of other discussions, and I restated it very clearly. That was based on the concern that I felt that the Minister of Finance or Treasurer from the province of Quebec had really stated in so many words in this province that the debate about separation, in his view, was over.

[2:30]

I very simply stated that no Canadian has the right to make that statement or express that point of view, and that as far as I was concerned that debate was not, is not and, in my view, will not be over for some period of time. If anybody in Quebec, in the government—and I emphasize in the government—felt that because there had been no prior statement, the option of economic union or association had some slight attraction, I went on to say—I hope I'm right in this—that the people of this province are very committed to national unity; are very committed to having Quebec as part of Confederation; and would be prepared to assess any restructuring of the constitution or how this country functions; I think that the people of this province would approach that in a very positive frame of mind. This is my point of view and I hope I am expressing it on behalf of all of us.

I did point out at the Empire Club that I thought that frame of mind, that feeling, would not be the same if the issue we were discussing was solely that of economic union; and, as I have said—that is not an option open, as far as I'm concerned.

The hon. member is trying to relate that to my concern with respect to the white paper. I must emphasize that the white paper, as I understand it, is in the process of being re-assessed and put into the form of potential draft legislation. I will not comment in advance of the legislation.

As I pointed out on a number of occasions, people who try to relate what we are doing in a very progressive, logical way with respect to the French language being used for the Franco-Ontarian minority in this province—as it relates to the legal and traditional position in the province of Quebec—are dealing with two different situations, not only in law but in terms of the tradition and practices in this province.

I understand that the member for Ottawa East is concerned that we move more expeditiously, or more rapidly in some of these

areas. I see nothing contradictory in what we have been saying, in what has been and is the policy of this government; but I would point out to him that I think there is a contradiction in the question that he has asked me, and the position of his colleague, the member for Essex South (Mr. Mancini), as it relates to another issue that is before the House.

Mr. Breithaupt: Just like your candidate in Essex South.

Mr. S. Smith: Point of order. I believe the answer that the Premier just gave does not have any bearing on the precise question being asked. In fact, it was a very unfair statement to make at this time. I would draw his attention to this clipping about his candidate in that particular riding—

Mr. Ruston: Yes. Going to get a new candidate Bill?

Mr. S. Smith: —it is headed, "Please Condemn Wells Over French school." Show the clipping to the Premier and bring it back to me.

Interjections.

Mr. Speaker: Order, please. It seems to me it was quite a broad question in connection with the Judicature Act and I wasn't sure of the connection between the two.

Mr. S. Smith: The answer certainly had nothing to do with it.

Interjections.

Mr. Speaker: Order, please. A supplementary from the hon. member for Ottawa East?

Mr. Roy: I preface my supplementary by saying this: I had not intended to make the association between the Premier's statement on economic association and the Judicature Act. I said I applauded his statement on economic association.

Mr. Speaker: Your supplementary, please.

Mr. Roy: My supplementary is this: Recognizing that the Premier is one of the leaders of this country fighting for Canadian unity, how does he expect to have credibility with the people of Quebec, which his predecessor Mr. Robarts had, when talking about Franco-Ontarian rights—and in his statement he says that his commitment to Franco-Ontarian citizens, to their educational, language and social rights will not be diminished—as long as he keeps legislation such as this on the books of this province?

Mr. Speaker: Order, please. It seems to me that's the same question. Is there a different answer?

Mr. Roy: It wasn't answered.

Mr. Speaker: Order, please. We are wasting time when we repeat the question; the answer has to be repeated as well.

Hon. Mr. Davis: Mr. Speaker, I would like to expand on my answer to the first question. I agree with you that the second question is exactly the same.

Mr. Ruston: You didn't answer the first question.

Mr. Nixon: Take another look at it, Bill.

Hon. Mr. Davis: I say to the hon. member, I'm really not concerned in that sense about my credibility. I am very concerned about the future of this country. I apologize to no one for the positions I have taken, and I say to the hon. member, unlike perhaps some suggestions made by others during this discussion in this province and elsewhere, that in the remote possibility—

Mr. S. Smith: Here comes another cheap shot.

Hon. Mr. Davis: —that something were to happen in the province of Quebec, nothing is going to diminish the rights of the Franco-Ontarians in this province as long as I have anything to do with it.

Mr. S. Smith: What rights? Their rights to a trial in French maybe?

Mr. Roy: Don't you call this a right, to a trial in French?

Hon. Mr. Davis: It was suggested the rights would diminish.

Mr. Speaker: Order, please. We're wasting time with this calling back and forth.

Mr. S. Smith: The Premier gets lower every day.

Mr. Speaker: Order.

Mr. S. Smith: What about Hatfield? Is the Premier going to bring him up next?

Mr. MacDonald: With reference to the original question and dead on it, since this government 10 years ago, following the B and B report, got a task force report on the extent to which French could or might be used in our courts, would the government now table that task force report so that the Legislature might judge the adequacy or inadequacy of

what Roberts or the present Premier has done in the last 10 years in that area?

Hon. Mr. Davis: Mr. Speaker, I can't speak with as much specific knowledge about the courts. I will look into that information. The hon. member knows what we've done. But I think it also would be relevant perhaps to trace, if this were to be done, the total—

Mr. MacDonald: Will you answer my question?

Hon. Mr. Davis: I won't undertake to table it until I myself have seen it.

Mr. MacDonald: That's all I ask.

Mr. Speaker: Order. Order, please.

Hon. Mr. Davis: But I say to the hon. member I think it is relevant that there be an understanding of all the programmes that have been developed for the Franco-Ontarians in this province, including the field of education, where somebody I know rather well had a very direct hand in bringing it about.

Mr. Lewis: What was that? Somebody you know rather well?

Mr. Speaker: Order, please. Order.

Mr. Lewis: That's another gem of self-effacement.

Mr. Speaker: Order, please, the hon. Leader of the Opposition.

SALES TAX EXEMPTION

Hon. Mrs. Scrivener: Mr. Speaker, I would like to respond to the question asked by the hon. member for Perth (Mr. Edighoffer) on Thursday, April 21, concerning retail sales tax exemptions to underground utility cables.

Underground cable for electrical utilities will continue to be exempt from retail sales tax, regardless of whether the cable is to be used in-duct or is buried direct. I informed the OMEA of this decision in my letter to them of March 8, which they then acknowledged on March 24. There has been a delay in finalizing the enabling regulation due to discussions among members of my ministry, the OMEA and representatives of municipal utilities. The regulation has now been revised to incorporate their suggestions and is being processed through Management Board and cabinet. When it is approved it will be retroactive to June 1, 1977.

MULTILINGUAL TRANSLATIONS OF WORKMEN'S COMPENSATION ACT

Mr. Ferrier: I have a question, Mr. Speaker, for the Minister of Labour. In view of the concern expressed by the francophone community in my riding, will the minister see that The Workmen's Compensation Act is translated into French and made available to them in French?

Hon. B. Stephenson: Mr. Speaker, there have been directions issued to the Workmen's Compensation Board about multilingual translation of certain documents. I shall certainly approach them about the possible translation of the entire Act into French for their consideration.

Mr. di Santo: Supplementary: When translating them into other languages, will the minister also make sure the documents translated are understandable?

Mr. Breithaupt: They are not understandable in English; it's unfair to do them in other languages.

Mr. S. Smith: You don't want them translated, you want them rewritten.

Hon. B. Stephenson: I gather there has been some newspaper discussion about the understandability, if you will, of certain of the Workmen's Compensation Board documents.

Mr. Reid: Understandability? There's the problem.

Hon. B. Stephenson: I have asked specifically that the documents be looked at so that indeed they will be made clear to all those individuals who have to read them. The staff of the board stands ready at any time, however, to help anyone who is having difficulty understanding the documents.

Mr. Deans: Supplementary: Is it possible to produce for the House the documents that the minister intends to have translated and to tell us into which languages she intends to have them translated? Do they include The Construction Safety Act?

Hon. B. Stephenson: We were talking about The Workmen's Compensation Act, and that does not include The Construction Safety Act, which is an Act under the Ministry of Labour.

Mr. Deans: I understand that.

CHILDREN IN UNLICENSED HOMES

Mrs. Campbell: Mr. Speaker, my question is to the Minister of Community and Social Services.

Hon. Mr. Davis: I thought it might be.

Mrs. Campbell: Considering the fact that the minister's answer given to me the other day regarding unlicensed children's boarding homes suggested that many Children's Aid Societies won't use unlicensed homes, will the minister tell the House whether he can give the same assurance for family courts? Are there, in fact, children sent into unlicensed homes from family courts; and who, if anyone, is looking after these children's welfare?

Hon. Mr. Norton: The hon. member, I am sure, is well aware that the family courts in this province do not come within the jurisdiction of my ministry, although the question of many of the group homes and boarding homes for children do. I cannot give the member the assurance that she asks at this point in time, but I can assure her that the whole area, as she is aware, is under review, and will be under the jurisdiction of the new children and youths services division of the ministry. One of the reasons for the reorganization was to look at precisely the kind of problem that I know concerns her and underlies the question that she has asked.

Mrs. Campbell: Supplementary, Mr. Speaker: Do I take it, then, that at this point in time this ministry cannot answer as to who is responsible for the welfare of those children in unlicensed homes; and that no such assurance will be available, at least until the minister has introduced the legislation transferring responsibility of all of these facilities in his ministry? Is that the thrust of his reply?

Hon. Mr. Norton: No, Mr. Speaker, it is not and I don't think I really need to elaborate on that. The hon. member did in fact ask a question with regard to how many children were being placed in these homes under the jurisdiction of the court. She did not ask me the question at the time about who was concerned, who was responsible for the welfare of those children. Obviously our ministry bears the responsibility for the welfare of those children, and will continue to do so, through whatever agencies are available, Children's Aid Societies and so on, across this province. The question of those group homes which are presently not under

the purview of the legislation is under review and we will be developing means of closer supervision.

Mrs. Campbell: A final supplementary, Mr. Speaker: I would point out to the minister that I did in fact ask who was supervising and it was as a result of his answer that I asked my supplementary. Could he, then, now tell us if he is responsible for these homes, as his answer indicates, how many of them are there, to his knowledge, which do not comply with the standards of health and safety, either of the municipality or of his ministry?

Hon. Mr. Norton: Mr. Speaker, I cannot answer that question at this point. I will try to find that information. If the hon. member has information about any or all of the standards in such group homes, I would be quite happy for her to pass that information to me and I would be quite happy to investigate it.

SALES TAX EXEMPTION

Hon. Mrs. Scrivener: Mr. Speaker, a few moments ago I referred to the retroactivity of a regulation for The Retail Sales Tax Act as being June 1 of this year, and of course it is January 1 of this year. I am afraid my mind was on other events.

Mr. S. Smith: Other events?

Mr. Reid: That's the ninth.

Mr. Breithaupt: June 9.

Mr. Lewis: That certainly answers the question.

NORTH PICKERING PROJECT

Mr. Godfrey: Mr. Speaker, a question of the Premier with regard to North Pickering land acquisition royal commission: In view of the fact that last week the Premier promised there would be an early answer to those owners who have been dispossessed and are awaiting a decision, and in view of the fact the hearings have now been postponed, may I ask the Premier what specific steps he has taken to ensure there is a speedy answer for these people?

Hon. Mr. Davis: Mr. Speaker, we are moving expeditiously to make sure the hearings get under way very shortly and we'll have something to say in the next day or so.

[2:45]

Mr. Godfrey: Supplementary: Perhaps the Premier did not hear what I said, I asked what specific steps were being taken. Has he approached the Lieutenant Governor to reconvene the board?

Hon. Mr. Davis: It is not a question of approaching the Lieutenant Governor to reconvene the board.

BINGO REGULATIONS

Mr. Kerrio: I have a question of the Minister of Consumer and Commercial Relations. Will he tell the House when he expects the new ceilings on administrative cost for bingos to be implemented; and can we expect a report from him on the effectiveness of this new initiative in the early stages of its implementation?

Hon. Mr. Handleman: My understanding is that the administrative ceilings, the so-called cost of operation regulations, have in fact been implemented and that many people are being given an extension of their present practices so that they can phase into the new conditions of operation.

Mr. Kerrio: Supplementary: Has the minister considered speaking with the Minister of Culture and Recreation concerning the 15 per cent ceiling, not only on private enterprises but on the province's own Wintario lottery which has administrative costs above 15 per cent?

Hon. Mr. Handleman: Yes. As a matter of fact, I have discussed this with the minister along with my other cabinet colleagues. All I can say is we found many instances where bingos were being operated for the full benefit of the promoter when it should be for the benefit of the charities. We are trying to help the existing bingo operations to meet those guidelines.

Mr. Reid: For whom is Wintario being operated?

Hon. Mr. Handleman: So far, to the best of my knowledge, no licences have been cancelled.

NUCLEAR POWER DEVELOPMENT

Mr. Moffatt: I have a question of the Minister of the Environment. In view of the statement tabled in this House about two weeks ago by the Minister of Energy (Mr. Taylor), which indicates that in the short term we are going to be more dependent upon nuclear power as a source of energy for quite some number of years, has the Ministry

of the Environment any plans with regard to stating general policies and specific measures to be taken with regard to the disposal of nuclear waste, the construction of plants, the siting of plants and their adaptability and fitting in with the general industrial complex of the province of Ontario?

Hon. Mr. Kerr: Yes. My ministry works very closely with the Ministry of Energy as far as nuclear power and the disposal of waste from nuclear plants are concerned. There is an interministerial committee which involves those two ministries, as well as Health—and there is one more that I can't think of off the top of my head—in long term policies. It involves also Environment Canada. So there is no question that both ministries are aware of each other's position in respect to nuclear power and, more importantly, the disposal of waste from that source.

Mr. Moffatt: Supplementary: In light of that I would like to ask the minister what his response is going to be to the application to have the Darlington generating station exempt from the terms of The Environmental Assessment Act, in light of the fact that Ontario Hydro went to the town of Newcastle and bought an agreement with them that they would not pose any objection to that kind of application.

Hon. Mr. Kerr: I don't understand what the hon. member says when he says Hydro bought an agreement from the town of Newcastle. There must have been a price tag on it or some sort of a document.

Mr. Moffatt: That is correct. That is exactly what it was.

Hon. B. Stephenson: What is it you are alleging?

Hon. Mr. Norton: What are you alleging?

Hon. Mr. Kerr: As far as Darlington is concerned, there has been no decision with regard to any move to exempt that project from the Act.

Mr. Speaker: A final supplementary on the subject.

Mr. Moffatt: The minister apparently does not know that Ontario Hydro extracted from the town of Newcastle a commitment that, in return for signing a document which gave them certain sums of money for the development to go ahead, the town would not ask for any environmental assessment under that Act with regard to the Darlington station.

Hon. B. Stephenson: Has the member got that document?

Hon. W. Newman: You are accusing the council of selling out to Hydro.

Mr. Speaker: There doesn't seem to be any question to that. There's a rebuttal of an answer.

JOBS IN AGRICULTURE

Mr. Riddell: I have a question of the Minister of Agriculture and Food. Can the minister clarify for us and give us details of the types of jobs that are to be created in the agricultural sector, as outlined in the budget, which indicated that new funding will be provided for job creation in agriculture infrastructure?

Hon. W. Newman: Yes, I can give the member a fair number on the list right now. As he knows, \$2 million additional was allowed for tile drainage, which would increase the work there. There will be a certain amount of research work done at the University of Guelph by the use of students and others and in our agricultural colleges the junior agriculturalist programme will be extended. We will probably work on an abandoned orchard programme, probably in eastern and maybe northwestern Ontario.

We are also looking at some other programmes of cleaning up, removing abandoned farm buildings, the windbreaks programme and several other programmes, plus the other part of the budget that includes the summer youth programme to subsidize summer farm labour jobs; part of that is included in the overall budget.

May I just finish, Mr. Speaker, by saying there also may be other programmes we're working on right now.

Mr. Bain: Supplementary: Could I ask the minister what specific programmes and jobs he has in mind for agriculture in the north in the light of the fact that the north has unique problems that aren't covered by general blanket provincial programmes?

Hon. W. Newman: I would disagree with the hon. member's comment to start with, Mr. Speaker. We have special programmes for the north and we are looking at special programmes for the north. I outlined in this House last Friday, I believe it was, many of the programmes we have for the north. We're very much concerned about the north because we think there's a great potential there.

Mr. Bain: What new jobs in agriculture?

Mr. Speaker: Order, please.

Hon. W. Newman: We will be working with the municipalities across this province to work out programmes in conjunction with them. As the hon. member knows, we have a team working right now on the water problem. And I'm aware of the problems of the north; I'm going to have a look at them later on this week, as a matter of fact.

An hon. member: Are you doing anything about them?

Mr. Speaker: Order, please.

Mr. McKessock: A supplementary pertaining to jobs available to farmers for hiring youth: Is there going to be anything different to last year as to the junior agriculturalist programme, or is it just going to be the same as last year? If it is going to be different, when will we know about it?

Hon. W. Newman: The junior agriculturalist programme is already in place. There was a lot of applications this year and, as a result of the additional funds we have, we'll be allowing more junior agriculturalists to have that great experience of going to work on a farm for the summer to find out what it is really like to work on a farm, and we're glad we're able to extend that programme. The students who were picked before already have been picked; we will now be extending that programme.

Mr. Speaker: I'll allow a final supplementary.

Mr. Wildman: Supplementary: In view of the attempt to produce more jobs in the north and the water problem in northern Ontario with agriculture, can the minister explain whether the Ministry of Agriculture and Food, the Ministry of the Environment or the new ministry responsible for the overall programme will deal with the water problem if we have another dry summer in the north?

Hon. W. Newman: As I said last Friday in this House, we're working on it right now. We have a preliminary report; it's working through the secretariat. But the Minister of Northern Affairs and the Minister of the Environment are also involved, as the hon. member knows, in looking at ways and means to try to cope with this problem if we do not get the necessary rain that we need in northern Ontario.

QUEBEC MILK

Mr. Samis: Another question to the Minister of Agriculture and Food: Is the minister aware that 750 pounds of poor-quality milk from Granby Co-op in Huntingdon, Quebec, and 250,000 pounds from Co-operative Fédérée de Quebec, in Fédérée Mont Laurier, Quebec, are being processed weekly in eastern Ontario? Can he tell us what assurance his ministry can give the consumers of Ontario that the quality standards of Ontario will be maintained?

Hon. W. Newman: We have quality standards for all milk processed in the province of Ontario, wherever it comes from, through the Milk Marketing Board. The plants that received that milk know of our standards of quality, and the milk is tested here in the province of Ontario.

Mr. Samis: Supplementary: Since the officials of the Milk Marketing Board themselves, plus farmers in the area, have described the milk by saying, "We had dark milk coming in from Quebec all winter," can the minister give us some indication of the extent of this importation over the past few months and his projections for the upcoming months?

Hon. W. Newman: We're very much concerned about the high standards of milk quality in this province, and I think it augurs well for all of us that we do have very high standards.

Mr. Bain: Answer the question.

Mr. Speaker: Order, please.

Hon. W. Newman: The specific problem that the hon. member is talking about is being looked into at this moment.

RICHMOND HILL NURSING HOMES

Mr. Stong: I have a question of the Minister of Health. Will the minister consider giving assistance, in terms of licence and funding, to two nursing homes in the town of Richmond Hill, Elmwood Manor and Country Place Nursing Home, both of which have ample space and beds available and both of which have waiting lists?

Hon. Mr. Timbrell: I will be glad to give an answer on that in a day or two. I had a complete report on that based on a newspaper report which I just happen to have in front of me, of March 16, 1977, and about the rather interesting history of those nursing homes with additions built without

permission and that sort of thing. I'll give a complete answer in a couple of days.

PEEL TEACHERS' DISPUTE

Mr. Sweeney: A question of the Minister of Education: Given that as of this morning both the teachers and the board in Peel county seem determined to close the schools either by a strike or a lockout, is the minister prepared to see 28,000 students go without their final exams, particularly when it means that a large number of them will lose their year because they need the final mark to complement their year's work?

Hon. Mr. Wells: Of course, the answer is no, I would not be prepared to see them lose their final year. I don't believe that that would lose the final marks for this year and I don't believe that will happen. I believe that solutions will be found.

My friend should know, if he read the paper this morning, that the teachers have put forward a final position suggesting "Med-Arb"—mediation-arbitration—a process that's been used in other jurisdictions and has been recommended by the chairman of the Education Relations Commission for use here in several disputes—which has been accepted by the teacher negotiators. They're having a general meeting tomorrow afternoon to get the backing of all the teachers for this method of settling the dispute. It then will be presented to the Peel board of education and if they will accept it as a method of settling the dispute, I think the sanctions can be lifted and things can be back to normal and a process for settling those items remaining in dispute will be in motion.

These steps are all taking place at the present time. The Education Relations Commission is very deeply involved in them and I'm hopeful that they will result in a conclusion to the problems in Peel.

Mr. Sweeney: Supplementary: While these processes are going on, regardless of what their outcome is, is the minister prepared to tell both the teachers and the board that they have an obligation to be sure that the students are evaluated—an obligation, not a choice?

Mr. S. Smith: That's right.

Hon. Mr. Wells: I think that what I would want to do is speak personally with the teachers in this case to find out exactly what they're talking about. My friend is referring to some generalizations, perhaps, that have

appeared in newspapers in this particular situation. It may not be exactly as it appears in the newspapers. The Peel teachers are in a legal strike position—

Mr. S. Smith: Why don't you know?

Hon. Mr. Wells: They're exercising what they think are their prerogatives in that strike situation. The board, on the other hand, has it within its power to do certain things also, and I think that both sides are concerned about the welfare of the students. They always are. But it is also a teacher-board labour dispute, and these kinds of side effects very often come to be. None of us like to see them but I think that we have to do everything we can to get the parties together to get the matter settled and that's the best way to bring to an end any of the unpleasantnesses that may be being caused there.

BRANT COUNTY TEACHERS' DISPUTE

Mr. Makarchuk: A new question of the Minister of Education regarding the fact that in the dispute between the Brant County Board of Education and the OSSTF one of the matters under dispute is the matter of increments—whether they should be referred to the Anti-Inflation Board for consideration in the wage increase, or whether they should not be referred. Is the minister prepared to instruct the boards in Ontario to the effect that they should leave out that portion as a negotiable matter, or is he prepared to let it be a matter that can be kicked around by the two sides?

Hon. Mr. Wells: I know the matter the hon. member is referring to. I'm not sure that it matters what I think in this particular matter.

These disputes are between the teachers and their employers, the school boards. It's incumbent upon the school boards to fill out the forms they submit to the Anti-Inflation Board, not the Ministry of Education nor the Minister of Education. Even if I might express my preference in this particular matter, it's still the prerogative of the school boards to handle it as they see fit. Therefore, in certain cases in this province it has become an issue as to whether the increments will or will not be counted in the percentage increases they report to the AIB.

Mr. Makarchuk: Supplementary: In this case, in view of the fact that if this matter was removed from the bargaining table either

way, whether it was decided that it should be considered or that it should not be considered it does not become a matter for dispute. The minister would be in a position to defuse a lot of potential arguments or strikes in this province.

Mr. Speaker: Order, please. Your question? [3:00]

Mr. Makarchuk: Is the minister prepared to move in that direction?

Hon. Mr. Wells: What I'm saying to my friend, Mr. Speaker—and I'm sure my friend knows enough about labour-management relations—is that I can't remove anything from the bargaining table. If it's a negotiable item and one of the sides wants to bargain over that particular item, I can't wave a wand and remove it.

CITIZEN COMPLAINTS AGAINST POLICE

Mr. Singer: A question for the Solicitor General: I wonder if he could tell us whether we are going to see the new bill dealing with police complaint procedures? If we are likely to see it, is he going to follow the recommendation of Mr. Justice Morand and Arthur Maloney or is he going to have the view that he enunciated to the press just a few weeks ago?

Hon. Mr. MacBeth: I hope that the bill will be introduced shortly. It is presently going through the legislative procedures again.

Mr. Reid: Which Parliament?

Mr. Speaker: Order, please.

Mr. Ruston: Third time around.

Mr. Nixon: You are smiling, John.

Hon. Mr. MacBeth: But it will have embodied in it many of the recommendations that Mr. Arthur Maloney proposed and some of the recommendations that Mr. Justice Morand proposed. As I say, I hope it will be before the House very shortly.

Mr. Roy: I wonder if I could ask if it is the minister's intention and the intention of the government to see this legislation passed before the next election?

Hon. Mr. Handleman: When is that?

Hon. Mr. MacBeth: That may be beyond my control, Mr. Speaker, but it's certainly my intention.

OCCUPATIONAL HEALTH

Mr. Lewis: May I ask a question of the Minister of Labour? With the new emphasis on occupational health, has the Minister of Labour endeavoured to inform the various community colleges that have courses in industrial hygiene or matters related, to provide in their advisory councils a reasonable cross-section of the community so that various voices are heard when sorting out the content for the programme?

Hon. B. Stephenson: No, Mr. Speaker, I have not communicated directly with boards of governors—

Interjections.

Mr. Reid: Mr. Conservative himself.

Mr. Nixon: In a pin-stripe.

Mr. Speaker: Order, please.

Mr. Breithaupt: The member for Ottawa Centre (Mr. Cassidy) is getting to look like the member for Ottawa South.

Mr. Speaker: We're wasting time now. The hon. Minister of Labour has the floor.

Hon. B. Stephenson: I'm sorry that the unexpected sartorial splendour of the hon. member for Ottawa Centre has had this disturbing effect upon the members, but as I said, I have not attempted to contact directly the boards nor the presidents of community colleges at this time. Because what we are at this point doing is to—

Mr. Speaker: Order, please. There is too much background noise.

Hon. B. Stephenson: —establish, with the co-operation of universities, community colleges and other educational bodies, an integrated educational programme—because we need three levels of educational programme and not simply the community college level. When we have completed that, then I am sure we will be in contact.

Mr. Singer: The member for Ottawa Centre is going to get his hair done every day.

Mr. Nixon: He's put away his sweat shirts; no more sweat shirts.

Hon. B. Stephenson: I have communicated with some of them because they have indicated to me their interest in providing just that aspect of education in occupational health and safety. We are encouraging them, of course, to do so, making sure that they

are aware that there needs to be some input from both management and labour when such courses are undertaken.

Mr. Lewis: I don't think you should allow the ridicule of pin-stripe socialism, Mr. Speaker. That was the quid pro quo for the Treasurer's job. May I ask a supplementary?

Mr. Roy: Did you ever think in your wildest dreams that you would ever see the member for Ottawa Centre in a pin-stripe suit?

Mr. Ruston: With a vest?

Mr. Lewis: You've been wearing vests all your life, Albert.

Mr. Reid: It is all right, Mr. Speaker. It comes from Syd Silver.

Mr. Breithaupt: It goes back at 6.

Mr. Speaker: Order, please.

Mr. Breithaupt: The rates change at 6.

Mr. Lewis: Albert, you were born in a vest.

May I ask a supplementary of the Minister of Labour, Mr. Speaker?

Mr. Speaker: Order, please, we're wasting time.

Mr. Lewis: Can I ask the minister in particular to pay close notice to the Industrial Hygiene Technology Advisory Committee in Lambton College, which is the signal course of its kind in the province, where 10 out of the 13 members of the committee come from Polysar, Petrosar, Shell, Imperial Oil, Dow and Esso, not a single representative of any of the work force and three representatives from the college itself? Can the minister perhaps convey, if not displeasure at least direction that this kind of thing does not augur well for the course content we might wish in the province?

Hon. B. Stephenson: Mr. Speaker, I'm not sure that I would convey displeasure because, indeed, in the past that has been the makeup of many of the advisory committees.

Mr. MacDonald: That is the problem.

Hon. B. Stephenson: In our enthusiasm and our attempt to ensure that there is, indeed, co-operation between management and labour in this particular area, as well as in all other areas, I should most certainly convey to them my concern that there should be broader representation.

ENTERTAINMENT TAX

Mrs. Campbell: My question is to the Minister of Revenue. Is the minister aware of the confusion, both in her ministry apparently and in the minds of the public, with reference to the retail sales tax as it pertains to performances of Canadian talent, where formerly they used to have exemptions on an application basis? What is the status of those applications now?

Hon. Mrs. Scrivener: Mr. Speaker, there is no confusion in my ministry.

Mrs. Campbell: There is.

Mr. Roy: It is not in the ministry, it is in the minister.

Hon. Mrs. Scrivener: Canadian performances and productions which are produced by Canadians are, of course, exempt from retail sales tax on admissions.

ONTARIO MALLEABLE IRON

Mr. Breaugh: I have a question of the Minister of Labour. Would she provide us with a copy of whatever documents she forwarded to the UIC appeal board concerning the Ontario Malleable Iron workers in Oshawa? Would she also give us some indication of what else she might be contemplating that would help those people, who haven't had a paycheque in going on two years, to either find another job or get some financial assistance in some way?

Hon. B. Stephenson: I'm not sure that there is any specific documentation. There have been a number of direct telephone calls and conversations about it. That I am aware of. I am not aware that there are transcripts of those calls. I shall, however, remind the hon. member that indeed there is an employment adjustment service within the Ministry of Labour which stands ready to assist any individual found in the unfortunate situation in which many of these former employees of that company are.

Mr. Speaker: The question period has expired.

PETITIONS

Mr. Breaugh: I have a petition to present to the Legislature. The petition consists of approximately 3,000 ratepayers in my riding in the region of Durham and the petition reads:

"We, the undersigned residents of the region of Durham request the following: An immediate solution to the problems of increased water and sewer rates, high taxes and duplication of services in the region of Durham. We submit the costs of simply existing in the region have increased dramatically as a direct result of the region being implemented. As an immediate solution, we require that increased funding from the province be made available in the amount requested by the region in December of 1975 of the Treasurer of Ontario.

"Secondly, as a long-range solution, a full inquiry is required into the benefits and costs of the transition to this form of municipal government".

Mr. Speaker: Will the hon. member send it down to the desk?

Mr. Moffatt: Mr. Speaker, I also have about 2,000 names of a petition with identical wording to that submitted by the member for Oshawa, all from the residents of the region of Durham.

Mr. Godfrey: I too wish to present a petition in the same wording as the two previous ones, numbering some 2,000 residents of Durham West.

Mr. Moffatt: Mr. Speaker, with regard to the petitions, those three petitions which have been presented are merely the forerunners of others which will be coming in and we simply wanted to give you notice that they are under way.

Mr. Breithaupt: Thanks for the notice.

Mr. Speaker: We will have to check and see if these three are in order first of all.

Mr. Breaugh: They are in order.

Mr. Speaker: Fine.

Presenting reports.

Motions.

INTRODUCTION OF BILLS

REGIONAL MUNICIPALITY OF
DURHAM AMENDMENT ACT

Mr. Breaugh moved first reading of Bill 57, An Act to amend The Regional Municipality of Durham Act, 1973.

Motion agreed to.

Mr. Breaugh: Mr. Speaker, this bill addresses itself to what is known locally as

"The Great Water and Sewer Ripoff." This bill returns control over water and sewage services in the regional municipality of Durham to the area municipality.

CONSUMER PROTECTION AMENDMENT ACT

Mr. B. Newman moved first reading of Bill 58, An Act to amend The Consumer Protection Act.

Motion agreed to.

Mr. B. Newman: Mr. Speaker, this bill requires that every product offered for sale by a retailer that is marked with the universal product code must also be clearly marked with its individual purchase price. This would ensure the rights of the consumer to the privilege of comparison shopping.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 28, 29, 30, 31 and 32 standing on the notice paper. (See appendix, page 871.)

ORDERS OF THE DAY

TORONTO GENERAL BURYING GROUNDS ACT

Mr. Drea moved second reading of Bill Pr2, An Act respecting the Trustees of the Toronto General Burying Grounds.

Motion agreed to.

The bill was also given third reading on motion.

CANADA TRUSTCO MORTGAGE COMPANY ACT

Mr. Peterson moved second reading of Bill Pr4, An Act respecting Trustco Mortgage Company.

Motion agreed to.

The bill was also given third reading on motion.

BOROUGH OF YORK ACT

Mr. Deans, on behalf on Mr. MacDonald, moved second reading of Bill Pr5, An Act respecting the Borough of York.

Motion agreed to.

The bill was also given third reading on motion.

WEBWOOD INVESTMENTS LIMITED ACT

Mr. Stong moved second reading of Bill Pr6, An Act respecting Webwood Investments Limited.

Motion agreed to.

The bill was also given third reading on motion.

[3:15]

BOROUGH OF EAST YORK ACT

Mr. Leluk moved second reading of Bill Pr9, An Act respecting the Borough of East York.

Motion agreed to.

The bill was also given third reading on motion.

LOMBARDO FURNITURE AND APPLIANCES LIMITED ACT

Mr. Deans, on behalf of Mr. Burr, moved second reading of Bill Pr11, An Act respecting Lombardo Furniture and Appliances Limited.

Motion agreed to.

The bill was also given third reading on motion.

KEVALAINE CORPORATION LIMITED ACT

Mr. Grossman moved second reading of Bill Pr13, An Act respecting Kevalaine Corporation Limited.

Motion agreed to.

The bill was also given third reading on motion.

FRED LEBLOND CEMENT PRODUCTS LIMITED ACT

Mr. Leluk, on behalf of Mr. Morrow, moved second reading of Bill Pr16, An Act respecting Fred Leblond Cement Products Limited.

Motion agreed to.

The bill was also given third reading on motion.

ROMAN CATHOLIC EPISCOPAL CORPORATION (DIOCESE OF ALEXANDRIA) ACT

Mr. Villeneuve moved second reading of Bill Pr19, An Act respecting The Roman Catholic Episcopal Corporation for the Diocese of Alexandria, in Ontario, Canada.

Motion agreed to.

The bill was also given third reading on motion.

VILLAGE OF ERIE BEACH ACT

Mr. Breithaupt, on behalf of Mr. Spence, moved second reading of Bill Pr20, An Act respecting the Village of Erie Beach.

Motion agreed to.

The bill was also given third reading on motion.

FRANK POSTEL ENTERPRISES LIMITED ACT

Mr. Drea, on behalf of Mr. Johnston, moved second reading of Bill Pr24, An Act respecting Frank Postl Enterprises Limited.

Motion agreed to.

The bill was also given third reading on motion.

BUDGET DEBATE (continued)

Resumption of the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

Mr. Cassidy: Mr. Speaker, I had been led to understand that every one of the Conservative cabinet was going to be here for this particular speech.

Mr. Breithaupt: Wrong again.

Mr. Cassidy: Wrong again, yes. It's unfortunate because it might have been a helpful piece of information for them.

Ontario is passing through difficult times and it faces a difficult economic future. More and more evidence indicates we face major changes in our industrial and economic structure if we are to continue to enjoy the prosperity that has been Ontario's lot in the past, almost automatically.

The terms of trade within Canada are shifting against Ontario, and the economic

pre-eminence we have enjoyed for so long in this country is weakening. The persistent increase in our unemployment rate to more than seven per cent this winter, which the Treasurer (Mr. McKeough) seems to think is temporary, may well mark the start of a period of chronically high unemployment, unless there is decisive action by the government.

We believe that Ontario can continue to prosper, but the Treasurer seems to have lost confidence in Ontario. That's why the budget he brought down on April 19 is such a profoundly disappointing document for us in the New Democratic Party.

Mr. Bain: And for the people of the province.

Mr. Deans: He just doesn't understand.

Mr. Cassidy: In speech after speech since last September, the Treasurer has been laying his ground with warnings of difficult times ahead. Some of the analysis that was prepared in advance of the budget was perceptive, but to quote the Treasurer himself, "When the drains are plugged, you need a good plumber, not another public relations man."

We expected, and Ontario needed, a serious, bold and innovative budget that would show the Conservatives are as capable of managing bad times as they are of profiting politically from the good times that Ontario has enjoyed over the past three decades. The Treasurer has failed to provide that serious new approach and all of us in Ontario are poorer as a result. He intends to continue the mismanagement of the Ontario economy that has brought us to our present difficult situation.

The Treasurer has helped to create stagnation in the Ontario economy, and now he asks us to accept that that stagnation will continue. He is so caught up in his ideological straitjacket that he cannot bring himself to apply the remedies that everyone else agrees the Ontario economy needs. This steadfast disciple of simplistic laissez-faire economics honestly believes a handful of corporate executives, many responding to direction from outside Canada, can do a better job of bringing Ontario out of its economic morass than the private and public sectors working together co-operatively with strong leadership and a sense of direction from the Ontario government.

The Treasurer has provided an outrageous rationale to justify his government's accept-

ing a level of permanent unemployment which can only be described as intolerable.

Mr. Wildman: Shame.

Mr. Cassidy: McKeough is playing R. B. Bennett and Herbert Hoover wrapped into one—

Mr. Samis: Quite a combination.

An hon. member: I wish he'd said Calvin Coolidge.

Mr. Cassidy:—except that he outdoes them both in the bravado and in the bluster with which he defends the indefensible.

Hon. Mr. Kerr: Better get the jeans back on, Mike.

Mr. Makarchuk: Darcyville.

Mr. Cassidy: We suspect that it's the Treasurer's ideology that has compelled him to make tax proposals that are entirely inappropriate to our needs in 1977. The facts and figures with which he defends his position are a compendium of misrepresentation and an abuse of the facts for political purposes.

Finally, we had been led to expect serious new proposals and ideas for the long-term health and development of Ontario's economy. Instead, we were treated to an analysis that was so brief and superficial that it wouldn't even pass a first-year economics test, and to a demonstration of hand-wringing in the direction of the federal government, of business and of labour that does Ontario neither credit nor good.

The Conservative government's reputation for being able to manage Ontario has been growing increasingly thin, and now it is threadbare. The emperor—or should I say the Duke of Kent—has no clothes.

Hon. Mr. Kerr: Better get the jeans back on, Mike.

Mr. Breithaupt: But you have?

Mr. Cassidy: Yes, I have.

Mr. Bain: You have them.

Mr. Cassidy: The distortions and misrepresentations in this budget all favour a government facing re-election. They are so glaring that I feel I have to deal with them, even though I also want to talk very seriously about what we feel should be done for Ontario, both in 1977 and over the next decade.

The Treasurer is no plumber, but he is a public relations man doing his best to cover

up the mismanagement of the economy by his government over the last five or six years. We can only conclude that this is the political budget for 1977 and that the real budget has been held back on the presumption that the Tories will be back in power when the election is over. Then the real medicine would come.

Mr. Philip: The one that implements Blair.

Mr. Cassidy: In his budget, the Treasurer states, and I quote: "I think there is every reason to be optimistic about the outlook for 1977." The recent federal budget, he adds, and I quote, "builds in considerable fiscal stimulation." His opinion is shared by almost no one; his facts are definitely misleading, and the figures he uses in this document are just plain wrong. Consider the following: The most basic assumption on which this budget is based is that Ontario will have real growth of 4.7 per cent in 1977. This estimate just is not credible. The most recent Conference Board estimate for Ontario is for real growth of just under three per cent, compared to the estimate of the Treasurer of 4.7 per cent.

Hon. Mr. McKeough: They are revised to three per cent, if you want to be accurate.

Mr. Cassidy: The recent federal budget forecast growth of four per cent for Canada as a whole. While the Treasurer's election crystal ball tells him there will be almost no slowing down in growth this year from the forecasts of last fall, virtually every major forecaster in the country—and I've been consulting them—has been cutting back his forecasts of growth for 1977 from what he anticipated last December.

Take the highly respected forecast of Judith Maxwell of the C. D. Howe Research Institute, for example. She says, and I quote: "The combination of restraint in monetary and fiscal policy and of controls on wages and profits has dampened the economic recovery, with the result that production has been losing momentum since the spring of 1976, unemployment has been rising, productivity growth has been sluggish, and corporate profits have been stagnating.

"If investors and consumers were confident that good days were ahead, the potential would exist for a more robust economic expansion. However, confidence was at a low ebb in 1977, reflecting the fact that the economy had been losing momentum, and the impact of longer-range structural problems faced by many industries. This has put a

damper on corporate investment and has curbed consumer spending, both on ordinary items and on new housing."

That's no socialist, wild-eyed radical. That's the C. D. Howe Research Institute's considered opinion of what's happening, and it differs a great deal from what the Treasurer has to say.

The Ontario Economic Council is equally pessimistic. The outlook is for real growth of four per cent or less, it says, and unemployment will grow to a peak of seven and a half per cent and stay near that level until the early 1980s.

Next, consider that fiscal stimulus from the federal budget, which is the Treasurer's chief rationale for not taking stimulative actions at the provincial level in Ontario. To put it bluntly, two-thirds of the so-called stimulus cited by the Treasurer is phoney, but has been brought into the accounts to make the overall picture look good.

Specifically, the continuation of the federal investment tax credit provides no new stimulus for Ontario's economy, because it was there last year. The federal indexing scheme is a way of keeping taxes from rising, but it does not represent any overall cut as put forward by the Treasurer. What the Treasurer has called a reduction in unemployment insurance premiums is in fact a decision not to increase contribution rates. The choice of a word like that is itself a manipulation for political purposes.

Finally, the Treasurer would have us believe that the \$500 million in federal tax refunds is a new stimulus for Ontario's economy when it's no different from the refunds that were paid last year, the year before, or five years before that. That's really grasping at straws.

One should add that when the Treasurer is counting Ontario's own tax changes he correctly adds up about \$210 million of tax increases, but that \$80 million of his so-called tax reduction is in fact the continuation of the fast write-offs for business which existed last year. In net terms, that means what appears as a balance between tax cuts and tax increases in this year's budget is in fact an \$80 million tax increase borne by small taxpayers. Another misrepresentation.

The revenue side of this year's budget is unrealistically optimistic. The Treasurer now estimates his 1977 revenues at \$12.6 billion. That's half a billion dollars more than his official estimate last fall, even though his actual receipts during the past six months have been recalculated to \$300 million below

forecasts. Why the optimism? His forecast growth rate on revenues has almost doubled from 7.7 per cent anticipated last fall to 13 per cent today, despite the increasing signs of stagnation in the economy. That kind of forecast has an election smell.

Certain tax fields have been particularly inflated for reasons that we can only assume are political. For the third year in a row—

Hon. Mr. Kerr: For heaven's sake, political?

Mr. Cassidy: —that's true—mining tax revenue has been overestimated by about \$50 million. After we adjust for tax concessions the government is expecting a 24 per cent increase in corporations tax revenues on a forecast increase of profits of only 6.3 per cent—and that's unrealistic.

Taken together, the mining and the capital and corporations tax may be overestimated by as much as \$250 million in revenue. We strongly suspect that sales tax and income tax revenues have also been overestimated because of the rose-coloured economic forecast that the Treasurer used. Apart from blind faith, we could get no convincing rationale from ministry officials for such big revenue increase forecasts.

[3:30]

Obviously the political justification for juggling revenue figures is so that the Treasurer's press release could forecast a budget deficit of less than \$1 billion. That was the game last year—but then the Treasurer came in \$300 million off target. We anticipate that the final deficit this year will be even further off target than in 1976-77, and will in fact exceed \$1.4 billion.

The Treasurer has so grossly distorted the real budget picture for 1977 that he has also destroyed the credibility of his stated goal of moving toward a balanced budget within three years. We know the government wants a balanced budget to be an election issue in hopes of diverting the public's attention from the record-breaking deficits that have marked the Davis government's regime and have raised Ontario's total liabilities by \$8 billion between 1971 and today.

I, therefore, want to put on the record the fact that the public are being misled if they believe the Treasurer is committed to balancing Ontario's budget by 1980, and that is largely due to the distortion by the Treasurer and his people. The very first line of the 1977 budget press release says, and I quote: "A five-year plan designed to balance the Ontario budget was revealed by the Treasurer." Quite naturally, a number of the press

wrote their stories accordingly. The Treasurer's own budget statement, however, was much more coy. "Our objective," he said, "is to have the capacity to balance the Ontario budget by 1980-81." No commitment; just to have the capacity.

If we are prepared to bring the Ontario economy grinding to a halt completely, this government has the capacity to balance its budget today. Any government has that capacity at virtually any time. If we examine it closely, the centrepiece of Ontario's fiscal strategy in the budget may not be a promise at all, certainly lacks credibility, and relates far more to the Conservative Party's political needs than to the economic needs of the province. I am not alone in questioning the government's rosy forecast. The Ontario Economic Council again estimates Ontario's net cash requirements could reach \$4 billion by 1981, and its estimate is based on lower expenditure increases than those that we have seen since 1971.

When it comes to the municipal taxpayers, I am not sure whether to call the Treasurer's actions misrepresentation or downright fraud. What is clear is that the municipalities are being shortchanged on the Edmonton commitment by between \$50 million and \$108 million, depending on how we count, because the Treasurer has refused to recalculate municipal grants under that commitment to take into account his projected higher rate of revenue increase for 1977-78.

The consequence of that piece of fiscal hocus-pocus will be yet another municipal property tax increase, and one that is as severe and as damaging as in 1976. I shall come later to the misrepresentations that underlie the atrocious decision of the Treasurer and the Ontario government to raise the full employment target for Ontario and to tolerate more than 200,000 workers being permanently unemployed.

What I want to turn to now is central to the ability of the Conservative Party to govern, because there is ample evidence of mismanagement of Ontario's economy, both by the Treasurer and by his colleagues. It isn't just misrepresentation, it is mismanagement as well. Consider the rosy forecasts that were made last year. A good year, the Treasurer said in his budget last April. He promised us 116,000 new jobs. In fact the labour force grew by less than he had expected, yet despite that, between March 1976 and March of this year the Ontario economy, under the shaky direction of the Treasurer, produced only 29,000 new jobs

and added 49,000 additional workers to the permanent army of the unemployed.

That is real performance. It is a wretched start on the task that is now facing us all in Ontario, which is to create a million new jobs in this province, under conditions that are greatly changed from the booming 1960s, over the next 10 years. I don't think the Conservative Party is any longer up to that challenge.

No matter how one looks at it, Ontario has been sliding back under the Tories. Back in 1971, when the member for Chatham-Kent first became Treasurer, the unemployment rate was 5.2 per cent. Today, it is nudging eight per cent. The Treasurer has been one of the chief architects of the public sector growth in Ontario, of which he is now the chief critic. In fact, Ontario's government expenditures have risen from 11 per cent of gross provincial product a decade ago to 16 per cent of the present budget. Our net debt in Ontario has risen from 30 per cent of budgetary revenue when the present Treasurer first became Treasurer to 54 per cent today, or from four to eight per cent of gross provincial product. We are not in the bankruptcy court yet but it is a headlong slide and it's a sign of the cynical and almost irresponsible way with which the Conservatives approach Ontario's finances.

Consider now just how differently the Treasurer reacted to the slowdown of Ontario's economy in 1975 and to the slowdown we are experiencing today. The economic picture in Ontario in both years looked remarkably similar. Inflation was worse two years ago and unemployment was lower. Nevertheless, the government undertook a major programme of independent fiscal action to get the Ontario economy moving. If stimulation was justified in 1975, then it is clearly justified today.

I searched the indicators to find out why the government moved so readily two years ago and so reluctantly today. The only variable that explains their actions is the fact that in February 1975 the Progressive Conservatives were 12 per cent behind the official opposition in the Gallup poll, whereas in February 1977 they were 15 per cent ahead and didn't feel they had to try to manipulate the electorate in order to gain re-election. I think it is a measure of the Treasurer's cynicism that the chief factor that guides the government's fiscal policy is not the state of our economy in Ontario but the Conservative Party's standings in the Gallup poll.

Let's look at some other indicators. When one mismanages an economy as badly as Ontario's is being mismanaged, everybody loses. Our gross provincial product could be \$3.5 billion higher and Ontario's fiscal deficit could be \$500 million lower if Ontario's unemployed workers were back on the job. The mismanagement of housing policy in Ontario has given our major cities some of the highest house prices on the continent. That has held back consumer spending that could have stimulated other areas of the economy.

Whether one looks at inflation, at growth, at unemployment or at the equitable distribution of incomes, we are failing abysmally in Ontario by the standards of sound economic management which have been accepted in this country ever since World War II. This province, which is in Canada's manufacturing heartland, is running a \$5-billion deficit in its manufacturing trade with the rest of the world. We are contributing substantially to Canada's balance of payment difficulties through Ontario Hydro's continued heavy borrowing abroad.

Western industrial nations are all having economic difficulties. But Ontario has enormous natural advantages, which means it should be able to do better than most jurisdictions in our present difficult times and not tag along at the rear. Running the economy of this province demands imagination and verve and also calls for a lot of careful rethinking about the ways we have been doing things, both in the private and in the public sectors. A sound manager would have embarked on this process of rethinking, but this government has lost touch with Ontario and the only direction it is willing to give to the economy is to abdicate its responsibilities and leave everything up to the corporate sector.

Let me give two final examples of mismanagement. First is the Treasurer's irresistible urge to take Ontario's sales tax off the machinery and equipment sector. He did it in 1971-72 and he did it again in 1975. Last November he extended the rebate indefinitely, repeatedly insisting that this was the only way to create jobs and get the economy back on the track.

Hon. Mr. McKeough: Just to correct the error, I didn't do that in 1971-72.

Mr. Cassidy: The five per cent investment tax credit in 1971 was equivalent to taking the sales tax off machinery.

Hon. Mr. McKeough: They were two entirely different things.

Mr. Cassidy: Exactly the same.

Mr. Lewis: Exactly the same.

Mr. Cassidy: By now I think the record is pretty clear.

Hon. Mr. McKeough: You don't know what you are talking about.

Mr. Cassidy: Machinery investment rises in Ontario in response to demand and to a growing economy, as it did in 1973-74. It does not respond to artificial stimulus when the demand is not there. The 2.4 per cent increase in machinery investment this past year is surely evidence of that. Not one scintilla of evidence has been put forward to prove the machinery tax rebate has created a job. There is no indication that this misplaced incentive will do any better in 1977. In fact, we have asked in the House and I have asked the minister's officials whether they can prove any jobs were created from machinery tax credit. The answer consistently is, "We don't know. We aren't even asking the question."

Mr. Wildman: Blind faith.

Mr. Cassidy: Industry is now using only 81 per cent of its capacity, so there's no incentive to invest. What machinery is being installed may well be eliminating more jobs than it creates. Only two industrial sectors, clothing and cars, are currently working at above 86 per cent of capacity. So there is enormous scope for increased production if it is stimulated by consumer demand. The idea that this tax rebate is an ineffective incentive isn't just some sort of socialist fantasy. The Treasurer says as much in budget paper A, which says that the high unemployment in 1973 and 1974 was not the result of too little capital investment.

The Ontario Economic Council, which I quote with pleasure because I think it has done a good job on its papers this year—

Mr. Wildman: Being subversive.

Mr. Cassidy: —has just warned that tax incentive policies designed to encourage investment have a reduced impact because of the extent of the operations of subsidiaries of United States firms. In other words, in a time of economic slack, Ontario's \$160-million handout in 1977 may well wind up as new plants and equipment in Michigan, Ohio or California. Now that's as counterproductive as any policy can get.

The C. D. Howe Research Institute has also been warning that in times like these further tax concessions to industry are likely to be quite ineffective. Is this a sound way to manage the economy? All the evidence says it is not.

Hon. Mr. McKeough: Not quite all.

Mr. Cassidy: When the Treasurer produces it, we'll look at it with interest.

Hon. Mr. McKeough: Not quite all.

Mr. Cassidy: The final example, I cite more in sorrow than in anger. It is 10 years since the Smith commission called for the reform of Ontario's property tax system, based on market value assessment. That reform has moved from delay to delay, from excuse to excuse, from one minister to another, to the point where what original value may have lain in the proposal has been almost completely frittered away.

Things seemed to be moving a year ago in the budget, when the Treasurer set up the Blair commission to recommend the best means of easing the transition to the new form of assessment.

Mr. Riddell: Before they even had the data.

Mr. Cassidy: But now the Blair report is out, the Treasurer's silence about the property tax reform in his pre-election budget is deafening. That silence contrasts with the lyrical speeches on property tax reform and market value assessment that were being made both by the Treasurer and by the then Minister of Revenue (Mr. Meen) up until last fall.

The mismanagement of property tax reform these 10 years is the mark of a government that has lost its grip. A lot of people, moreover, are now being hurt by the government's delay. Many of them are tenants and home owners who are being over-taxed because of the injustices of the present assessment system. Their numbers are swelled, however, by the small businessmen, by the homeowners on modest incomes and by the supporters of charitable organizations and Catholic schools for whom homes, businesses and vital community institutions are threatened by the injustice of the Treasurer's proposals as validated by the Blair commission.

The New Democratic Party has made its position on the major issues around property tax reform very clear. We should like the government to make its position equally clear before the election, rather than delaying a

difficult decision in hopes it will be returned to power and then can take the action.

People talk frequently in this House about the waste of a government that pours millions into a Minaki Lodge and hundreds of millions dollars into ill-conceived land assembly at Pickering and Haldimand-Norfolk. I want to talk now about another form of waste—the waste in human terms that results from this government's mismanagement of the economy, and that means the waste, the tragic waste of Ontario's unemployed.

This winter the unemployment rate was 10 per cent in Windsor and in the Simcoe-Georgian Bay region. It exceeded nine per cent in St. Catharines-Niagara, in the Ottawa Valley, in the Peterborough-Lake Ontario region, in the southwest and in the northeast, and it averaged eight per cent across the province. One worker in every 12 was out of a job and, when you come to teenage workers—fresh entrants into the work force—one in every five was unemployed. That is tragic and that, in our terms, is unacceptable. When the number of job vacancies is less than one-half of one per cent of the labour market, you can see that unemployment in Ontario is a social and economic problem and not the fault of the people out on the street.

In addition to the 312,000 people who in March were counted as unemployed, there were another 149,000 who had recently lost their jobs or were laid off but who didn't count in the labour force survey because they had given up looking for work. The survey doesn't count people in remote locations, it doesn't count Treaty Indians, and it doesn't count the 50,000 people who in March were working in part-time jobs because they couldn't find full-time employment.

Mr. Wildman: It never counts Treaty Indians.

Mr. Cassidy: Even if you count only the 149,000 who had just lost their jobs, rather than ignoring the hidden unemployment that exists in Ontario, then Ontario is running its economy with a rate of 11.3 per cent unemployed. In other words, one worker in every nine can't find a job.

[3:45]

Moreover, these hidden unemployed aren't just some concoction created by Ed Broadbent or myself. The official unemployment insurance statistics show 40,000 more people are collecting benefits than are counted as unemployed; and the UIC totals don't include young workers who've never become eligible for benefits or a substantial number

of workers who, for personal reasons, or who, through ignorance, don't try to collect unemployment insurance, or who are not eligible.

The situation that exists is tragic and unacceptable to everyone except to the Treasurer, to his minions and to his party. Their response is worthy of Marie Antoinette. Instead of taking meaningful action to curb unemployment, the Treasurer has chosen to try to define it away. I can't tell the House how deeply disturbed my colleagues and I were to encounter this self-serving economic sophistry of budget paper A on unemployment, or to hear the Treasurer assert, and I quote: "The full employment target for Ontario appropriate for the 1970s is 5.3 per cent, up from three per cent some years ago."

Now that the budget has been published, the Treasurer knows his redefinition of unemployment is a political error of major proportions and it could even cost his party the election. He is trying to wiggle around his commitment to keep unemployment high by saying the figure might be tinkered with a little. It's all rubbish and it makes my heart break.

What Ontario's Treasurer is saying is that in order to keep the Ontario economy from overheating, it is necessary to maintain a permanent army of more than 200,000 men and women in Ontario perpetually unemployed. Moreover, his lamentable record of meeting targets in the past suggests the number of unemployed will be even higher. I say that is shocking and unacceptable.

Mr. Lewis: But typical.

Mr. Cassidy: We would never tolerate such a target if we were the government of this province. No other government, no other jurisdiction in the western world, would dare to set 5.3 per cent unemployment as a desirable economic goal.

The argument presented in the budget paper is that structural changes in the economy are combining to increase the rate of unemployment that prevails when the economy is at its maximum capacity. We've gone to some lengths in order to try to discern the meaning in a paper which is notably devoid of it. The paper argues that increases in the labour force have been concentrated in groups with traditionally higher rates of unemployment—namely, an influx of women and young people—and that their unemployment is less serious than the unemployment of prime-aged males. What's really happening, of course, is that the economy is no longer expanding as solidly as it did in the 1960s. Therefore, it is no longer succeeding in

absorbing these new entrants into the work force.

Unemployment for women is not traditionally higher than for prime-aged males, and it is a misrepresentation to claim it has been. In fact, the unemployment rate for women has averaged one per cent below that of men consistently in Ontario over the past two decades. That's true whether you take prime-aged women or whether you take women of all ages. Women's unemployment exceeded that of men for the first time in 1974 only as a direct consequence of the slowdown in the economy. To say their rate of unemployment is traditionally higher is another self-serving representation.

I see the Treasurer is looking troubled. He's trying to loosen his tie. The statistics come from Ontario Statistics 1976, a very commendable book published by his ministry.

As far as young workers are concerned, they were 24 per cent of the labour force in 1972 when this government accepted the three per cent full-employment target—24 per cent at that time. Today, five years later, young workers have risen to 25 per cent of the labour force, an almost insignificant change over half a decade. Again, therefore, the only difference is the slowdown in the economy. During the 1960s, the proportion of young workers in the economy expanded dramatically but they were absorbed, and that's not happening today.

The Treasurer and his staff are misrepresenting the facts to try to prove a point that gets them off the hook for failing to create jobs. What's particularly offensive about this section of the budget paper is that it classes every woman worker as a member of the secondary labour force. This is a sexist notion, as sexist a notion as we have heard from government in this Legislature in a long, long time. It is an obvious prelude to deliberate discrimination in government economic policies between the so-called primary and secondary members of the labour force, in which the government intends to relax its efforts at job creation once it has achieved what it considers a satisfactory employment rate among prime-aged males.

I might say the degree of resentment at this second-class status to which the Treasurer relegates them is enormous and quite justified among the women workers with whom I have talked. I fail to understand how women can be put in the back seat, when at least one-third of Ontario's female work force is made up of women who are single or who are heads of families, and when most working women

work out of necessity in order to balance the family budget.

The second major reason for changing the full-employment target is, and I quote: "The worker preference changes induced by revisions to The Unemployment Insurance Act in 1971 and 1972." I have read this material again and again and I cannot find where the budget paper even says specifically that the UIC system is the cause of increased voluntary unemployment. When there are only 12,000 vacancies, it's pretty hard to argue that 312,000 unemployed people are sitting around being choosy.

The Treasurer is being insulting when he indicates he believes a lot of people are on the Ontario labour force only to take advantage of unemployment insurance benefits. If he's been listening, in fact, he could have learned as long ago as 1974 that the Ontario Ministry of Labour had determined that, and I quote; "A tax on the unemployment insurance system served mainly to divert attention away from more fundamental manpower concerns"—an opinion with which we associate ourselves—and, from the same source, that far more important than unemployment insurance in explaining the difficulties of matching workers to jobs during the 1973-74 boom was, and I quote: "the lack of training and on-the-job experience during 1971-73, regional and sectorial shifts in labour demand, and a failure to learn how to adequately utilize women, youth and various minorities."

The report went on to say that one of the main causes of the present situation was the reluctance of employers and social planners to treat labour as a resource to be developed and planned for over the long-term horizon, rather than to treat it as if it flowed from a tap. Alas, our Treasurer prefers not to be confused by the facts.

We understand why the Treasurer has resorted to this sophistry, because his statistical redefinition of unemployment is 30 times as effective in reducing concern for the unemployed in his terms than are his programmes for creating full-time jobs. The 3,600 jobs that have been promised in construction and in work with old people represent barely one per cent of the number of unemployed in Ontario at this time and one-tenth of one per cent of the total labour force. The problem of the 138,000 young people who are not students and who are unemployed has been almost totally ignored because the Ontario Youth Employment Programme and the wage subsidy to private employers is timed to be of use almost inclusively for students seeking summer jobs.

To support his redefinition of unemployment, the Treasurer has cited the Economic Council of Canada and the US Council of Economic Advisers along with the Bank of Canada. What he fails to recognize is that first, as an industrial province, Ontario should have a lower target for full employment than Canada as a whole and, second, that it is the task of government in co-operation with the private sector to find means of improving the skills, mobility and adaptability of the work force and to identify and eliminate other bottlenecks in the economy so that the potential growth rate of the economy can be improved, not worsened, and so that we can safely run the economy as close as possible to 100 per cent employment.

Once the Treasurer's people decided to say, in error, that the rate of unemployment among women was traditionally higher than men, all the figures and conclusions of this budget paper came into question.

Mr. Wildman: All wrong.

Mr. Cassidy: Frankly, I prefer the compassionate positions that were once advanced by the government, and I quote John White in 1973, "Any unemployment figure in excess of three per cent is unacceptable to this government." We'll go along with that.

I quote again: "Low income workers, young people and students and older employees have been particularly hard hit by unemployment. The real cost of unemployment to these people has been enormous, not just in terms of lost incomes, but also in terms of human dignity and family security. In addition, there's been a heavy cost to the community at large in lost output and weakened confidence." We associate ourselves with that remark as well. It was made by the present Treasurer in his 1971 budget when the unemployment rate was running at 5.2 per cent. The tragic consequences of unemployment which he acknowledged to exist then exist again today, but this government no longer cares enough even to try to get people back to work and to get the Ontario economy moving.

Mr. MacDonald: That's a more relevant quote.

Mr. Cassidy: I want to turn for one minute, and one minute only, to the announcement by the Liberal Party and by its leader that his party intends to support this budget. I do so because of the very harsh words he had to say about the government's record on unemployment during his response in

the Throne debate. The least I can do is to read those remarks into the record:

"Mr. S. Smith: In my own constituency office I have people with all levels of education—grade nine, grade 13, MAs, PhDs—unable to find work. The bitterness, the hopelessness, the frustration which these people indicate to me is something which is simply intolerable.

"I get the feeling that we have broken faith with our young people. We push them through high school and nurse them through various educational opportunities and then we dump them on the labour market to rot like so many surplus vegetables. This a time when they should be achieving a measure of independence and one in five of our workers under 20 cannot find a job.

"We cannot abandon them. The Treasurer, in his budget, must offer hope and jobs to counteract the despair, the fear and the disillusionment of 143,000 jobless young people."

He found it intolerable three weeks ago, but now the Liberal Party in Ontario finds this budget, this heartless budget, so tolerable that it intends to support the government on a motion of confidence. I simply cannot understand how a party leader with that attitude can support a government which is so demonstratively incompetent at resolving our problem of unemployment.

Mr. Roy: We want to keep the government going so they'll bring on solutions.

Mr. Lewis: You want to keep them going on forever, never mind solutions.

Mr. Cassidy: When there are no solutions there's no use in keeping the government going.

Mr. Wildman: You make up your policy decisions on a trampoline, while flipping over and over.

Mr. Roy: Now that the member for Ottawa Centre has a pin-striped suit he shouldn't be irresponsible.

Mr. Nixon: I think the word is that we want jobs not elections.

Mr. MacDonald: You know you're going to get one.

Mr. Cassidy: Let me now turn to the Treasurer's proposals, specifically for job creation. Both the promises which were made in the Throne Speech about job creation and the promise that was made in the budget a year ago, that Ontario would take appropri-

ate action if the economy began to run off the rails, are simply not matched by action.

For the labour force generally, the Treasurer is promising to create about 3,000 full-time jobs, or about one-tenth of one per cent of Ontario's labour force. For students, he promised about 4,000 more jobs on the government's summer employment programme; plus something less than 20,000 summer jobs in the private sector which will be subsidized by \$1 an hour. We suspect that many of these so-called new jobs will be last year's jobs, only cheaper for the employers.

What really counts, however, is that next to nothing is being done for the 138,000 workers under 25 who were out of work at the time the budget was delivered. I know that the students are having a hard time finding work because of the economic situation, but I think Ontario's priorities are misplaced when attention to young workers is almost totally confined to students. It seems the main reason the Treasurer chose this route was the political reason that summer jobs are easier to create than year-round jobs and the public relations impact is more visible if you're going into an election. We are concerned that the burden of unemployment is falling so heavily on young workers who are being permanently excluded from the work force as members of "Darcy's army of the unemployed."

I therefore want today to propose the creation of an Ontario youth careers programme to provide work experience and career-entry types of positions for workers in their late teens and early 20s. These jobs should be for up to one year. They should provide for significant work experience in job training, and the bulk of them should be in the private and non-profit sector. We believe private employers should bear some of the costs for this programme and that the youth careers programme should be as substantial as possible. I shall come in a few minutes to the magnitude which we think is feasible in this year's budget for such a youth careers programme.

Mr. Lewis: Kind of a Pied Piper of the unemployed.

Mr. Cassidy: We're facing two challenges in our economy: What do we do in 1977 and what are we going to do for the next 10 years?

I want to join issue with the Treasurer on the long-term questions first, because I think his response to what is happening in Ontario have been so completely inadequate.

The changes that are forecast in our industrial structure over the next few years are frightening. According to the Ontario Economic Council, employment in goods-producing industries in Ontario will shrink from 36 per cent of our labour force this year to 28 per cent in 1987, a mere decade away, if current trends continue.

To put it another way, that means there will be almost no increase in the 1.4 million jobs that now exist in the resource industries, in manufacturing and construction; and in fact there will be a natural decline in manufacturing. If the economy expands by one million workers over the next decade—and that's the forecast—the council says that all of these jobs will have to be found in the service industries and many of them in the government sector.

[4:00]

We in the NDP believe it is not good enough to simply sit back and accept further weakening of an industrial sector which is already both incomplete and vulnerable. We believe that to sit idly by while the work force in manufacturing actually declines would be to irreparably damage our future as a prosperous industrial province. Ontario would go into the next century with nothing ahead but a few more decades of resources to exploit.

The Treasurer (Mr. McKeough) has talked about industrial strategy on many occasions and he let it be known he would have important things to say in this budget. That's another reason we find the budget so profoundly disappointing. All the bold words of the past about Ontario industry have given way to a pageful of prattle which does little more than call on the federal government for action.

Imagine saying, for action, that, and I quote, "we badly need a national policy of income and price stabilization," when this government just last fall deliberately decided not to undertake a farm income stabilization plan which was both adequate for farmers' needs and had the full support of the farm community. Imagine calling for, and I quote, "a national policy with some vision of the economic future," when what we need is provincial policy with some vision of the economic future.

Imagine worrying about the economy becoming too capital intensive and talking about resisting subsidization and feather-bedding when this government indiscriminately hands out \$160 million for investment, with no indication where it should go and no attempt

to channel resources to the areas of strength in the economy.

I grant that the Treasurer had a few other words to say. He never ceases to utter his hymns to profits. When the Treasurer isn't castigating the federal government for doing not enough to develop industry, he is castigating business. Last June he told them that not only should they invest more and get out and boost exports, but that, and I quote, "with just a little more social awareness in your decision-making," they alone could resolve the problem of the inequities between rich and poor regions of the country. That's rubbish too, Mr. Speaker.

The Treasurer demeans himself by turning into a naive cheerleader for business when he should be seeking to provide leadership in very difficult times, and he demeans Ontario by constantly trying to shift the blame to labour, to the private sector, to federal government, to foreign competition or to some other bogymen. He strains credibility by saying that everybody is to blame for any problem except the provincial government.

On behalf of the government, the Treasurer says he thinks we should work now to rationalize—

Mr. Bullbrook: You can't take issue with his statement. He just asks for some social awareness on their part.

Mr. Cassidy: Well we might have some social awareness on the part of the government as well.

Mr. Bullbrook: What's wrong with that? I am glad he asked.

Mr. Cassidy: On behalf of the government, the Treasurer thinks we should work now to rationalize and concentrate around the best industries in Ontario. That's fine, but I search in vain to find how he intends to achieve that goal. He wants us to do what we can do best, but he gives no indication in what fields the government thinks Ontario should specialize.

He wants a reappraisal of foreign investment policies to permit what he calls beneficial capital inflows, but he spends too little time worrying about how we can build up strength domestically. Even the Canadian Manufacturers' Association now estimates that since August 1976 Canada has lost 178,000 jobs in the manufacturing sector. That's serious, but the response we have had so far from the Ontario government can only be described as superficial.

I want to deal now with a number of specific areas and make some specific suggestions which we believe could have been launched as part of this year's budget, and as the first steps in reorganizing Ontario's industry and economy to meet the challenges of the 1980s.

First, our overall industrial situation. We are constantly being exhorted to get out and sell on foreign markets. However, there is an increased parochialism about the world which reminds one uncomfortably of the great depression. As part of their economic strategy, many countries, and not just Ontario, are gearing up in order to create more jobs through manufacturing exports. That puts some limit on the opportunities for Ontario, since we are part of the relatively high-cost North American economy.

There is one foreign market, however, in which Ontario industry has an enormous natural advantage if we started to work hard at it. I mean, of course, the market that is now filled by imports into Ontario from foreign countries. Our imports of finished goods are worth \$5 billion more than our exports, and if we include finished materials and certain foods that compete with Canadian products, there is a market within Ontario of close to \$20 billion which Ontario industry and the government should take a real crack at.

We've had foreign trade crusades in the past; it might be time to have one for ourselves, both to identify products that could be made economically in Ontario and also to let Ontario consumers know how much of the dollar value of goods they buy was made in Canada. We would consider providing means to inform consumers at the point of sale of the Canadian content of goods that are offered, so that they do not wind up buying foreign products out of ignorance, where price and quality are comparable with imports.

An example of what I mean by the inadequacy of the Treasurer's approach for Ontario's future is Ontario's involvement with the automobile industry. I have to say that this is a very sad saga indeed. One in every nine jobs—or one in every six by the Treasurer's count last year—depends on the automobile industry in this province. Ontario ranks in importance with major automobile producing jurisdictions like Michigan, Ohio and California.

Last year the Treasurer spoke with great concern in his budget about the need to revitalize the automobile industry. "We can't

be complacent," he said. "We must take positive action." Specifically, he called for measures to increase productivity, to give Canada a larger share of value added in motor vehicle assembly, to reduce the parts deficit and to provide for a regular review of the auto pact.

What disturbs my party is that there has been absolutely no follow-through on the very serious concerns which were raised in the budget last year about the future of Ontario's automobile industry, even though there is now more cause for concern than there was in 1976.

President Carter's energy statement last week indicates that the US government will be pressing very hard on the industry to develop a whole new generation of automobiles, based on new lightweight materials and production techniques in order to ensure better fuel economy. It is precisely in new technological development that Canada's automobile parts industry has tended to do worst. Last year, our car assembly industry bounced back from the very bad year we had in 1975 when the US car market was soft; our trade deficit in parts went from \$1.9 billion in 1974 to just under \$2.5 billion in 1975, and it got no better from that very serious deficit in 1976. The initial signs this year are that things are going even worse.

Back in the early years of the auto pact, Canada had very much more than its normal share of investment in the North American car industry. Its share is around 10 per cent, our investment was running much higher. Now we are running far below that 10 per cent share. With an industry that has reached market saturation, and with some turning away from car purchases because of crowded cities, because of high energy costs, because of changing social values—maybe because of Jimmy Carter—there is no sign that we will recover that position through economic reasons alone; yet that has been the naive supposition of the Ontario government.

When you have an industry as closely linked to government as automobiles, however, when you have an industry which is totally American-owned and when you have several states which depend even more heavily on automobiles for their economic prosperity than does Ontario, then the failure of the Ontario government to do more than to exhort Ottawa for action on the auto industry takes on serious proportions. When Michigan and Ohio, Illinois or California, Georgia or Massachusetts, are pressing Ford,

GM or Chrysler to locate facilities in their state, just where is the Ontario government? It isn't good enough to hope that the federal government will take action; it isn't good enough to maintain a small research unit on autos in the Treasury ministry, along with one or two junior analysts in the Ministry of Industry and Tourism, it isn't good enough for the Treasurer of this important province to make one speech on budget day about automobiles and then leave the subject alone for a year.

Yet that is precisely what happened. We have searched through the record and sought the help of the Treasurer's staff to find out what he has said since the bold initiative in the budget of April 1976. We embarked on this quest with some charity, since the Treasurer's riding of Chatham-Kent is an automobile parts town and since the industry actually feels that he has lobbied actively on their behalf. The record, alas, indicates no discernible pressure that Ontario has taken on behalf of this industry which is so important to our future and which is so seriously threatened.

Not once during 1976 did Darcy McKeough breathe a single word about the automobile industry in the Legislature once he had finished his budget.

Mr. Deputy Speaker: You mean the provincial Treasurer.

Mr. Cassidy: I mean the provincial Treasurer. As best we can establish, the provincial Treasurer mentioned automobiles only twice in passing during the numerous speeches he made in the past year. The most voluminous reference was one page in a 30-page speech to the Conference Board last June.

We believe that part of Ontario's industrial strategy should be to work actively and publicly, using every means possible, in order to get a better break for Canada on its automobile trade. What is missing, in other words, is the political element and that is one of the major reasons we are losing automobile investments to the more aggressive state jurisdictions in the United States that are trying to keep those jobs at home.

The kind of intervention we talk about may include talking with senior executives of major automobile manufacturers. It may include going cap in hand, if it has to be, to Detroit and Washington. It will certainly include sitting down with the automobile parts industry to develop a strong joint plan to restore health to an industry which is now seriously endangered.

It isn't good enough for Ontario to abdicate in this vital field of industrial strategy and to expect the federal government to carry the burden on its own. With 90 per cent of the Canadian industry within its borders, Ontario must act at the political level to counteract the very strong political pressures which are now being brought within the US to bring production and jobs back home at the expense of the industry in this province. What goes for automobiles is true for the rest of the manufacturing industry in this province as well.

To put it in plain terms, the Conservative government of Ontario has actually abdicated its responsibility to nurture Ontario's manufacturing base. It mouths slogans about making room for free enterprise while its actions indicate it is prepared to tolerate a devastating shrinkage of Ontario's manufacturing sector over the next 10 years. I find it ironic when the Treasurer says in his budget: "We need a national policy with some vision of the economic future to help us see where we should be going."

For God's sake, we need a provincial policy with some vision of the economic future to help us see where we should be going. I don't disagree with the Treasurer's call for national policies in areas like automobiles, steel and industrial rationalization. What I deplore, however, is the total lack of comparable policies at the provincial level. The Treasurer rejects higher tariffs and industrial subsidies, he's trying to back away from government spending; but then he has nothing else to offer, his policies are bankrupt.

Mr. Warner: He should resign immediately.

Mr. Cassidy: Two years ago, the Ministry of Industry and Tourism did a detailed study of 13 major industrial sectors in this province in preparation for our submission to the federal government for the current international round of tariff negotiations. These sectoral studies provided clear indication of many industrial opportunities in Ontario which are being ignored or lost because of lack of leadership. Firm after firm, industry after industry indicated they wanted to work in closer co-operation with the government. Not surprisingly, all the sectors called out for higher profit margins; I don't know any businessman who wouldn't ask for that.

None of the reports, however, asked the government for more and better capital subsidies; nor do they ask for faster write-offs, nor do they ask for increased depreciation

allowances. Instead, the themes that come through clearly are the following:

First, domestic research and development is in desperate straits and must be encouraged, both by persuasion and by direct government co-operation.

Second, most of our industries are dominated by small and medium-sized firms which need better management expertise and access to better trained personnel. This applies in particular to the firms which are Canadian owned.

Third, domestic markets are important. It's not enough to constantly harp on penetrating foreign markets, and a buy-Ontario policy is seen as being very important.

Fourth, our industrial base is being eroded by imports. While importers and wholesalers in the service sector may be doing well in the process, our productive sector is stagnating as a consequence of the degree of foreign penetration of the Ontario market.

Mr. Bullbrook: Do you want the Treasurer to put a tariff on it?

Mr. Cassidy: Once again I repeat, these are not socialist fantasies, these are hard-nosed opinions and judgements that are made by the business sector and are reported to the provincial Ministry of Industry and Tourism. These are problems that require not the Treasurer's shotgun approach but a concentrated assault on some of our structural problems. These sectoral studies indicate that we should be using this current period of high unemployment to train more skilled workers against the day when the economy moves closer to capacity, that we have a very serious need to train more Canadian managers and to provide many more counselling services to entrepreneurs.

[4:15]

The government should facilitate the development of consortia in order to encourage specialization in certain kinds of production. We should be devoting particular attention to industrial areas where we enjoy a resource base, such as agriculture and food processing, forests and furniture, mining and metal fabricating.

Hon. B. Stephenson: That's what the Treasurer was saying. I'll examine your ears for you.

Mr. Cassidy: In all these areas, Mr. Speaker, the Ontario government's policies are not just deficient—they are downright absent.

Since the Minister of Labour has come in, I point out to her that studies by her ministry indicate that the Treasurer's gratuitous comments about workers and unemployment insurance are simply not justified by the facts, and I thank her for that very excellent survey.

Mr. Lewis: It's interesting that the minister would let him get away with that sexist claptrap in that document; it really is, that she would tolerate that as Minister of Labour.

Hon. B. Stephenson: Who said I was tolerating it?

Mr. Cassidy: Even the members of the cabinet are shying away, Mr. Speaker.

Mr. Conway: He has the Minister of Revenue (Mrs. Scrivener) to worry about, Bette, leave him alone.

Mr. Moffatt: She's going to Oshawa.

Hon. B. Stephenson: I get annoyed at the gratuitous comments across there.

Mr. Lewis: Informed, knowledgeable, profound, but rarely gratuitous.

Hon. B. Stephenson: Always gratuitous, never informed.

Mr. Breithaupt: Always worth the price you pay for it.

Mr. Deputy Speaker: Since this is the budget debate, all members will have an opportunity, hopefully, to participate.

Mr. Bullbrook: Can you guarantee that, Mr. Speaker?

Mr. Deputy Speaker: It's not a guarantee, but if you'll allow the member for Ottawa Centre to have the floor we'll get on with the business.

Mr. Cassidy: Thank you very much, Mr. Speaker.

One of the areas on which the Treasurer harps almost incessantly is the need to restrain the public sector. In his view the only real productivity is in the private sector, that is his ideology—although if he therefore intends to disband the Ontario Northland Railway, Ontario Hydro, the Liquor Control Board, and radio station CJRT, I wish he'd let the public know before the election and not afterwards.

Mr. Lewis: Don't give him any ideas.

Mr. Cassidy: We take a more balanced view. We believe that activity by the public

sector should be used where appropriate and where it can be most effective. We suspect that in many cases the public sector has better means of determining priorities than the private sector, regardless of what sector can carry those things out.

We also believe, as the Treasurer and his party do not, that governments and the public sector have an important role in redistributing income in a more equitable manner than that determined by the market. If the Treasurer disagrees with that statement, then would he please announce the government's intentions as regards the continuation of the GAINS plan for senior citizens and the disabled before we enter the election and not afterwards.

The Ontario Economic Council's recent publication on public decision-making puts this matter in the kind of perspective which we believe is more appropriate than the Treasurer's diatribes. They warn that the statement that government spending has risen to 40 per cent of the gross national product must be interpreted with considerable care, because the big increase in the government's share of the economy has been in transfer payments to redistribute income, which now accounts for an estimated 17 per cent of GNP or getting on for half of the government sector in toto.

To back this up, the Ontario Economic Council calculates that the total number of government employees has risen from 10 per cent of the work force back in the pre-historic times of 1961 to about 12 per cent today. In my opinion, Mr. Speaker, that is hardly a stupendous increase in government involvement in our daily lives.

The Treasurer had talked a lot about productivity in recent months and it is an area which we recognize is vital. But his position seems to be that we cannot afford to do much about the current levels of unemployment because we cannot jeopardize our long-term competitive position. We therefore must help industry now in order, or in hope of helping people later.

This approach is so sterile it is sickening. There are strong indications that Ontario's corporate palliatives will be irrelevant or even counter-productive. While the Treasurer can find words to deny it, the talk of Ontario's weakening competitive position lends itself far too easily to coming down hard on labour while subsidizing capital so that business can improve its productivity and reduce the need for workers.

However, the research that has been done indicates that; first, differences in productivity between nations relate to a number of fac-

tors, and sometimes to the way that those factors are combined and not just to one factor such as labour; second, that capital is employed far more inefficiently than labour in Canada.

A recent federal study for the Industry, Trade and Commerce department establishes that although Ontario is close to the US norm for labour productivity—I think that's important, because it indicates we've got a very good chance of making our way if there were more confidence in the future of Ontario's economy—although Ontario is very close to the US norm, the average Canadian labour productivity is about 18 per cent below that of the United States. That's bad, but the average productivity of capital in Canada is about 46 per cent below that of the United States, and that is disastrous.

The study concludes that "for all major industry groups in Canadian manufacturing except tobacco, clothing, machinery, transportation equipment and electrical products, the output per dollar of capital is much lower than in the US. This is very significant and suggests the need for measures to improve the performance of this factor input in Canadian manufacturing"—capital and management. That's where our biggest weakness lies right now, and it is an important point.

The Canadian tax climate has fostered a rich undergrowth of fast write-offs, of investment credits, of sales tax rebates, of capital cost allowance, et cetera. But what appears to have resulted is a capital bias which has actually damaged that productivity performance and drains scarce capital resources away from new entrepreneurs as well as from necessary social expenditure by government. I would say that the classic example is the petroleum industry, with capital productivity which is 48 per cent below its American counterpart. Governments have given this industry a licence to pick the consumer's pocket indiscriminately, the most recent incident being the Treasurer's decision to make the Treasury and not the oil companies pay for the increased cost of driving in the north. That's shameful.

The federal study concludes: "If the Canadian economy uses capital just as ineffectively as it does labour, it is doubtful whether competitiveness will be increased by the substitution of the former, [that is, capital] for the latter [that is, labour]. "And yet that is precisely the drift or the direction of the Treasurer's policies. The Industry, Trade and Commerce study also suggests that there is significant room for productivity improvement within small establishments without going to

the scale of US plants. The difference in plant sizes, it says, only explains a small part of the difference in cost per unit between the two countries; and I would suggest, with the changing pattern of manufacturing, that may even be more so in the future.

What does all this mean? It means that the capital efficiency and the management of Canadian industry will have to be seriously challenged if we wish to stay competitive. I suspect it means that government should encourage much more in-plant training, both for management, for supervisors and for workers, so that they can stay abreast of developments in the field and adapt quickly to the latest techniques. Just as in the automobile industry, it means that the province of Ontario should intervene actively with branch-plant subsidiaries in this province to ensure that their share of the parent company's range of products can be efficiently made in Canada and that they have access to new technology developed within the industry or by the parent at the same rate as plants that are closer to head office. The problem of the diffusing of technological expertise is a very serious problem within the Ontario economy which government can and should act to correct.

The 1972 figures indicated that Ontario's position is not quite so bad on productivity as the Canadian average, because we are that much more productive than the Canadian average. On average, in fact, we matched the Americans for productivity in 1972 and we are still not far off five years later. When the investment per worker five years ago was \$41,000, compared with \$27,000 in the United States, there are clear signs that we are using our capital stock inefficiently.

Two other points come out of the federal study. First, about 40 per cent of our work force is in plants of less than 100 workers, compared with 25 per cent for the Americans. There are obviously problems with plants this size but there may also be benefits from the flexibility of the work force, the closeness of management to staff and the substantially smaller size of administrative overheads which are characteristic of these small operations.

Second, the scope for productivity improvement is certainly not only through building large, world-scale specialized plants, as the Treasurer seems to indicate. The detailed figures on productivity by industry sub-sector indicate there are enormous differences in productivity between United States and Ontario firms precisely in the small and medium-size industrial sector and that these are areas where enormous im-

provements could probably be made if the government began to co-operate seriously with our industry in Ontario.

To take but two examples—because I could spend a whole speech in this area—it is hard to understand why Canadian vegetable oil mills are more productive than in the US; confectionery manufacturers in Ontario are less productive than in the US; but biscuit manufacturers and bakeries in this province have half the value added per production worker than in the US. It's easy to see from that single example that there must be many areas where by looking at the problem in detail we can achieve enormous productivity improvements within the Ontario economy.

Now I want to turn to small business. The Canadian Federation of Independent Business called the Treasurer's budget "small and medium-sized crumbs for small and medium-sized business." We agree, and we believe it's time for the province of Ontario to make a full legislative commitment to the small-business sector. The increasing concentration of economic power, allied with government programmes directed to big business, is killing the independent-business sector. This means everything from the corner drug store threatened by a chain, and the independent retailer being shut down by an oil company, to firms that are established suppliers in the manufacturing sector.

The Davis government has abrogated its responsibility to small business, and we're beginning to feel that the NDP is its only hope.

Mr. Breithaupt: That is called wishful thinking.

Hon. B. Stephenson: That would sound the death-knell for independent business.

Mr. Lewis: Small business.

Interjections.

Mr. Cassidy: What is interesting is that in a world where people are beginning to talk about small being beautiful, all the Treasurer can say is that large is terrific. We disagree categorically with that kind of stand; we believe that there are many opportunities to be provided in the private sector, if, perhaps, one could even restore to industry some of the values of a few years ago, values which have been lost in the rush to the monopoly sector by this government.

Mr. Bulbrook: Well, McKeough and Sons isn't that big, is it?

Mr. Cassidy: The government's incentive of increasing the compensation for sales tax collections is a sham. It's a \$200 increase which still makes small merchants the next thing to unpaid tax collectors. The change in the capital tax is a step forward, but it should be complemented by the creation of one form for small business which would serve to file for unemployment insurance, for sales tax, for Canada pension and for all the other onerous dealings with government.

The Treasurer takes credit in this budget for creating special venture investments in corporations, ignoring the fact that the proposal first came from John White in the 1974 Ontario budget. I think that was three years ago, as a matter of fact; and it will be another year or two before they get operating. After three years of Tory inaction on this proposal, do we take it seriously now?

If venture investment corporations do get going, will they help small business? I question it. The Treasurer is so blind about bigness and about his own deficit that his legislation will insist that the venture investment corporations have outstanding capital of at least \$250,000, and be up to three times that amount by the end of their fourth year. There is still absolutely no legislative encouragement for half a dozen friends to put some money into a pot and to launch a new small business without the fuss and delays that will be entailed in the venture investment corporations. I think it's worth contrasting this government's reticence about small business with the newly-formed Alberta Opportunity Corporation, which has a deliberate bias towards small companies and small communities. It has located its head office in a small town and has succeeded so well that the commercial lenders are now following its lead into the small-business field. Why can't we do that in Ontario as well?

Many small businesses need professional management advice but they can only get it in Ontario by paying \$20 a day under a federal programme; and the service is little known. The NDP government in Manitoba has got such a service and it works well.

Providing advice like this could prevent thousands of business failures every year; many small businesses are vulnerable at the start, because of their owner's lack of business expertise. On the other hand, small business tends to be more efficient, more innovative and more flexible than large firms, besides being more economical in its use of energy. Small firms also create more jobs for dollar investment than big business, and this is important when unemployment is so high. The

tax breaks for large industry, which the Treasurer is offering, do little for the small-business sector, which employs almost half of the province's work force. In our view it makes much more sense to give the small-business sector real incentives and encouragement to prosper and to create jobs.

[4:30]

Ontario is actually behind most western countries in the priority that it gives to small business. I've already spoken of the need to inform consumers of the Canadian content of goods sold within Ontario. To help small business and Ontario industry, Ontario should focus the purchasing power of both the provincial government and of the municipalities and of the many semi-public agencies, such as hospitals and school boards, which depend on public funds. It should insist that the Canadian content be identified on all tenders that they consider, and as part of a Buy Ontario policy which I am proposing, Ontario should insist that at the very least goods produced in this province should have preference where price and quality are comparable to imports.

Hon. Mr. McKeough: Imports into Canada or Ontario?

Mr. Cassidy: Imports into Canada. Mr. Speaker, Ontario—

Hon. Mr. McKeough: That is not what you said, by the way.

Mr. Cassidy: Ontario should take steps to help group the common requirements of bodies such as hospital boards, in order that they help to develop an assured market for Ontario industry—and this time I mean Ontario industry. Because public demands are involved, this may be one area where joint public-private ventures could be justified.

Ontario should also ensure that small business gets a fair share of the provincial government's own purchases. This is something, among other things, which the US federal government has done for years. Many contract specifications in this province are drawn up today in such a way that small businesses are actually ruled out from tendering. Our policy would work the other way. Ontario, like other jurisdictions in North America, should require that a certain proportion of the purchasing that it does from big business be directed through subcontracts to small business. Ontario should also require larger firms to subcontract a certain proportion of the successful contract tenders into the small-business sector.

All of these are elements that enter into an industrial strategy for Ontario. I don't pretend to have covered every base, because the Treasurer has had six years and 600 staff on the job while opposition critics work with a staff of three or four. They're good staff, mind you, but it's three or four.

What I want to say on behalf of the New Democratic Party, however, is that we believe that now is not the time for defeatism and we believe that there are constructive approaches and new directions to be taken which respond to our problems, which build on our strengths and which are far more productive than hoping against hope that a few corporate decision-makers will bail out the Ontario economy.

Part of the NDP strategy is that Ontario needs a strategic development strategy that covers not just land use but also economic and social development. Years ago, we thought we might be getting it from the Conservative government, but that effort has been so thoroughly obliterated at the behest of this Treasurer that we know it will never be rehabilitated. If you follow the present population trends, Mr. Speaker, as this government now clearly intends to do, there will be no growth to speak of in northern Ontario or in the eastern part of the province. We will continue to have more and more people crowded into less and less space in the region around Metropolitan Toronto and the pressure for growth could easily take off again in the 1980s with another explosion in land and housing prices.

We believe equality of opportunity should spread into every region of the province and not be confined to people fortunate enough to live within a few miles' radius of Queen's Park. The plan we would propose would include a programme to preserve and maintain small communities across the province, as an alternative to forcing everyone to move into larger cities, for reasons of economy, diversity and social justice. Small enterprises, in particular, should be encouraged to locate in small communities and to build up the human and natural resources of their region.

Perhaps it's significant that the budget said virtually nothing about housing, despite the fact that 80 per cent of Ontario's families have too little income to pay for the average house being sold in Metropolitan Toronto. Part of our industrial strategy would be to ensure that housing was being provided at reasonable cost in every part of the province, in particular in order to serve families on low and modest incomes. But because such a strategy is lacking, the government is blindly marching ahead with increasing subsidies to

developers for houses and apartments over which it will have no public influence, but whose subsidies will range as high as the cost of subsidizing a family in Ontario Housing.

Non-profit and co-operative housing groups have never been offered the generous treatment now being provided as a matter of course to the private building industry. This is an obvious case where the government's political biases have overcome any hope of a coherent strategy.

Next, resources: The New Democratic Party position on resources is well known. Our position is that resources development should be carried out with the maximum benefit for the community and for the regions in which those resources are located. That generally means the north, which is the region that now has the least economic benefit. As a beginning, Ontario should begin to review the 38 exemptions from domestic processing that have been so uncritically granted by the Ministry of Natural Resources.

We should negotiate with the mine owners to have that processing done in Canada, and preferably in this province. Ontario should be prepared to set up joint ventures to handle the creation and operation of processing facilities in co-operation with the private sector to ensure we begin as quickly as possible to reap benefits and jobs from the resources that have been mindlessly exported for so many years.

As a note, I might comment that the Northern Ontario Development Corporation specifically excludes certain kinds of beneficiating activities because it defines them as processing and not as manufacturing and, therefore, says they are ineligible for ODC assistance. That's the way the government is working right now.

Finally, energy is obviously a vital part of Ontario's industrial strategy. I want to speak about oil and conservation because these two were almost ignored in the budget, and they get less attention in the Legislature than Hydro. In his report a few days ago, the Minister of Energy (Mr. Taylor) said Ontario should give high priority to investments and incentives for conservation and efficiency in energy use. The NDP agrees. We looked in vain for any reflection of that strategy in the budget, apart from the remission of sales tax on insulation material.

We are concerned at the prohibitive capital requirements for the energy industry over the next decade. We believe alternatives should be sought and we regret their absence in this

budget. Among other things we should be concerned with are the retrofitting of houses and businesses and the development of techniques and technologies for alternative energy sources, such as sun and wind industry, which the Treasurer as Minister of Energy used to pooh-pooh when the member for Windsor-Riverside (Mr. Burr) asked about it two or three years ago. We should be concerned also about the installation of more energy efficient technology in Ontario industry and the development of new energy sources.

Two areas that deserve particular attention are the establishment of a methane industry in Ontario, based on renewable forest resources, as outlined by my leader a few days ago, and the enormous deposits of lignite coal in northeastern Ontario at Onakawana. You may recall, Mr. Speaker, that the government promised to study the feasibility of this energy resource back in 1971.

Mr. Ferrier: That was an election year.

Mr. Cassidy: In the days of \$2 a barrel of oil, they found that the project wouldn't fly or that they didn't want to fly with it. Perhaps it was only a politically motivated idea. Today, however, when our oil prices are moving towards the \$13 world level and when Ontario is prepared to spend \$100 million in a Syncrude project whose production will cost close to \$18 a barrel, it makes very good sense to re-examine the Onakawana project. In 1973, the Onakawana task force which reported to the present Treasurer, said the deposit was an important potential asset.

In early 1974, consultants told the Ontario government: "The development of northern Ontario's vast lignite deposits is not only economically feasible but might make a significant contribution to the province's power supplies." They found there were enough reserves for a 1,000-megawatt generating station. The deposits happened to be within a stone's throw of the Ontario Northland Railway. They recommended that this should be seriously considered as an alternative to high-cost nuclear energy development. We accept that judgement, particularly with the rapid increase in energy prices since 1974. The power generated at Onakawana should, of course, be used to spur secondary industry development in the north.

Closer to home, there is increasing evidence that spending on conservation may be more efficient and may have a higher return than spending on new power generation facilities. It is also a good deal more labour intensive

at a time of high unemployment. Given the present economic situation, plus the Treasurer's total unconcern for the need to create jobs, the money being provided to accelerate Ontario's hydro projects could conceivably include some funding directed to the area of conservation.

Third, I want to make a very specific and major proposal designed to get people working in a wide variety of occupations, to stimulate small business, to provide a particular stimulation to the eastern and northern parts of the province and to have important long-term results in energy conservation in the saving of capital and in the creation of new industries. There is real work to be done in this province in preparing our homes and businesses to use energy more efficiently through insulation, through the improvement of construction standards, through the installation of more adequate doors and windows and through the other measures that go under the general rubric of retrofitting. I don't particularly like that word, but the concept is both important and valuable.

I think many Ontario residents are prepared to co-operate with government in a programme to save energy and get Ontario workers back on the job by means of what I call an energy-saving programme.

The cost of retrofitting a house runs between \$800 and \$1,500, and the savings, typically, run anywhere between 10 per cent and 40 per cent of a household's fuel bill. It is, therefore, reasonable that homeowners share in an initiative by the Ontario government. I am, therefore, proposing on behalf of my party that Ontario launch a programme of energy-saving grants designed to make a substantial improvement in the energy efficiency of every Ontario household over the next 10 years. The grants should be worth up to one-third of the cost in southern Ontario and 50 per cent of the cost in the north and east. The maximum amount available would be \$500 in the south and \$750 in the north and east.

This is a programme which is important both for energy conservation reasons and for its effect on employment. It's a programme where it's possible to create meaningful jobs very quickly. Many of the techniques of retrofitting are straightforward and easily learned. Others call on construction labour, which is in more than ample supply. The materials necessary are in reasonable supply and this is also a field where small business can get involved very easily.

There's not enough time in this budget reply to elaborate on all of the areas of the economy and what should be done. I hope I

have given enough detail, however, to indicate the approach that we in the New Democratic Party believe should be taken and to indicate, as well, how firmly we are opposed to this constant recycling of old shibboleths by the Treasurer.

Mr. Lewis: It's fundamentalist dogma.

Mr. Cassidy: Our analysis shows the government position on these matters is almost entirely a matter of words.

Mr. Lewis: He would do well in South Carolina.

Mr. Breithaupt: Are there new shibboleths?

Mr. Cassidy: I thought of calling for new shibboleths. It's about time we had a few. The Treasurer is excessively fond of saying that something must be done about the problems that confront us over the next 10 years—but then he falls back on naive hope in the corporate sector.

One final example: Just as the most uncritical supporter of the recent federal budget was Ontario's provincial Treasurer, so too is the Ontario government likely to remain the last defender of the Anti-Inflation Board. We have opposed Ontario's involvement in the AIB since its inception, but the pressure to scrap controls now comes not only from my party and from the labour movement, but from spokesmen for business.

What Ed Broadbent predicted 18 months ago has come to pass. The AIB has been such shock to confidence and has created such distortions in the economy that both Ontario and Canada have fallen seriously short of what they could have achieved economically if the AIB had not been created. Both the federal and the provincial economic councils keep warning that economic policy makers should beware of concentrating too obsessively on one measure of economic performance, such as the control of inflation, over our other goals, such as an adequate rate of growth and equitable distribution of incomes and the creation of jobs.

Mr. Lewis: Is the Treasurer doctrinaire?

Mr. Cassidy: But so determined is our Treasurer to wrestle inflation to the ground and to balance his budget for ideological reasons that he is absolutely blinded to the consequences to Ontario and to its workers of his single-minded obsession. We believe both goals are important: Get the economy moving and keep price increases in check.

I recall with great regret just how many times my leader and the NDP called, in this

House, on the government to establish a mechanism to keep prices under review, but were rebuffed in the early 1970s because the government feared their proposal would unduly intrude on business.

Mr. Lewis: Right. The old rigidity.

Mr. Cassidy: I marvel at the bias that allows the Treasurer to argue the AIB controls on profits should be withdrawn now while controls on wages should continue to apply. How much more one-sided can he get?

The measures I have outlined will contribute to improving Ontario's productivity and competitiveness over the next few years and would also contribute, both directly and indirectly, towards improving our price performance. They should also help to protect the economy against overheating when it is moving near to full capacity. These proposals are put forward in a constructive spirit, because we believe it is important for the public and private sectors to work together co-operatively and we are tired of the government's inaction and its apparent inability to grasp the challenges that lie in store for Ontario's economy over the next 10 years.

[4:45]

Mr. Lewis: The Treasurer is such a fundamentalist. He makes Edmund Burke sound a radical.

Mr. Cassidy: And Ronald Reagan.

In the short term, the actions of the Treasurer are just as misguided as is his inaction over the long term. A week before the budget was delivered, the Treasurer said he was not going to tinker with the basic setting of the income tax in Ontario—tinker. Instead he has chosen to play with every other part of the tax system in a way that probably appeals to certain small groups who are rock-ribbed Tories, but that certainly doesn't appeal to most people in Ontario because they pay the shot and they don't get the benefits.

Mr. Lewis: Turned the budget into a Tinker Toy.

Mr. Cassidy: Ontario is taking only 35,000 low-income people off its tax rolls, while tiny Manitoba just last week found it possible to take 75,000 low-income people off of its rolls.

Much of the \$32-million reduction in Ontario's personal income tax revenues comes from paralleling the federal dividend tax benefit, whose major beneficiaries will be people earning more than \$25,000.

While the tax on cigarettes and car licences go up and are paid by the little guy. Ontario is matching the federal inventory write-off to give Ontario corporations, mainly big business, a tax cut of \$42 million.

Mr. Reid: Who provides the jobs?

Mr. Cassidy: If you are a dead quarter-millionaire, Mr. Speaker, then you are one of the prime people in need whom the Treasurer helps in this budget by raising the exempt limit for succession duties. In just two years, in fact, the Treasurer has raised the exemptions on succession duty by 100 per cent, from \$150,000 to \$300,000, apparently on the basis of ability to pay. Over the same period of time, his government is raising general welfare and family benefits by eight per cent, or by half the increase in the cost of living, apparently on the assumption that poor people are much better able to cope with inflation than people who are very wealthy. It is better to be rich and dead than poor and alive if you live in Tory Ontario.

Mr. Deans: That is correct.

An hon. member: Right on.

Mr. Cassidy: In our opinion, the succession duty is a tax that is fair and just. There is no excuse for the government's continued abandonment of this field, just as there is no excuse for the continuous way that it has pushed the exemption levels up. In fact it is Ontario's retreat that is forcing other provinces to vacate this lucrative tax field. Ontario could be collecting an extra \$100 million in succession duties this year if it wasn't so committed to giving further privileges to people with wealth when they die.

Mr. Breithaupt: It's called downward indexing.

Mr. Cassidy: In passing, I am sorry the Premier isn't here, as a matter of fact, because I understand that he spoke to an appreciative farm audience last week and told them the NDP didn't care about the farmers because we had opposed the increase in succession duty exemptions to \$300,000. He was also chortling that tiny Manitoba had increased its succession duty limit and why was the NDP opposing it here in Ontario.

If the Premier wasn't so anxious to curry favour with farmers by distorting the facts, he would have acknowledged that farmers have been effectively exempt from succession duties since 1973, that this Ontario measure was supported by the provincial NDP and that the new exemption from succession duty

in Manitoba has been increased from \$50,000 to a realistic \$75,000, or one-quarter of the exaggerated level that is being permitted in Ontario.

Mr. Lewis: How about some policies for the living now?

Mr. Cassidy: That's right.

The final tax concession that the budget announces is the fast two-year write-off for machinery and equipment worth about \$80 million. When you look closer, however, Mr. Speaker, that is simply a continuation of a tax concession which was already in existence and is not a new tax cut at all. As I said before, this is yet another misrepresentation and it is no response for an economy that has too much industrial capacity to spare and too little confidence to grow.

We would withdraw the inventory write-off. We consider the succession duty cuts are inappropriate at this time of economic stringency and we believe the subsidy to capital contained in the fast write-offs is ineffective and should also be withdrawn.

As for the machinery sales tax rebate, I have already made our case. We believe this \$160-million annual cost to the Treasury can be used in better ways in order to stimulate the Ontario economy.

My colleagues will have more to say about the individual tax increases proposed by the Treasurer, although I want to personally welcome the increase in tobacco taxes as what I hope will become an essential part of a public campaign against the worst public health hazard we have in Ontario. Tax action alone will not stop people smoking, however, and, in my opinion, government should follow this tax increase up with prevention campaigns, with stop-smoking clinics and with provincial legislation to stop smoking in public places and guarantee non-smokers the right to clean air. That kind of action is simply absent as far as this government has been concerned.

Interjections.

Mr. Cassidy: The House leader for the NDP (Mr. Deans) wants an exemption for certain cigars, which we grant him for at least six months until he quits.

Mr. Breithaupt: I hope he doesn't want the spittoons brought in here.

Mr. Cassidy: While the tax cuts are overwhelmingly directed to business, and while some of them in fact are recycling of tax cuts granted a year ago, the tax increases

are both regressive and mainly come from the consumer. There isn't much philosophy to them, except for an effort to soak the little guy. It all amounts to fiscal tinkering. There isn't even the increase in exemption for sales tax from 21 cents to 25 cents, which we expected, which we would like to have seen and which not only would have kept people working in the chocolate bar industry but also would have helped people in small retail businesses and taken some account of the effects of inflation on the price of small purchases over the last five years.

Everyone in Ontario, everyone in this Legislature, knows northerners such as the member for Port Arthur (Mr. Foulds) who sends his regrets at not being here, and the member for Lake Nipigon (Mr. Stokes) pay more than a dollar a gallon for their gas, while my Toronto colleagues and I pay as little as 81 cents a gallon when we fill up our car. It is, therefore, welcome that the government, at long last, recognizes it costs far more to operate a car in the north than in the rest of Ontario. It is typical of this Treasurer, however, that after he mouths slogans about making the private sector responsible, he bails out the oil companies by giving northerners the equivalent of a nickel a gallon subsidy on their gas out of the public Treasury. In our opinion this amount does not compensate the additional operating costs in the north and it is the oil companies who should pay by providing gasoline to motorists in the north at the same price as in the south.

Mr. Wildman: That doesn't help the dealers at all.

Mr. Reid: Stealing Liberal policy again from the last election.

Mr. Cassidy: As for the tax on pop cans, we welcome the government's environmental initiative, but we are naturally anxious to know what the job impact of this proposal will be at a time of seven per cent unemployment. Because this tax comes from a Conservative government, I strongly suspect no alternative has been given or even considered for the 1,000 can workers whose jobs may be affected. We believe government should take every care possible to ensure new jobs are found when it is cutting back in a sector of industry for environmental reasons, whether it's in pop cans or any other environmental campaign.

Mr. Ferrier: The revenue grab.

Mr. Cassidy: Four years ago in this House I urged the imposition of a tough land spec-

ulation tax at a 50 per cent rate to halt the hectic spiral of property dealing, which was driving up housing prices and also affecting the competitive position of Ontario's industries. The measures that followed were conceived by Tories and so were designed to be ineffective in action. They were riddled with loopholes and they were irrelevant to the real problem.

Now that our resources and secondary manufacturing are firmly in the hands of foreign owners, the government apparently feels it is time to remove any impediments to increased foreign control of property in our urban centres. We will oppose that change, but in sorrow at how inadequate the original bill was for the problem.

We regret the reduction in the land speculation tax, but in particular because that tax has been so ineffective from its very inception.

I want to bring my remarks together now in order to comment on the Treasurer's actions and on what we would do to get the economy of Ontario moving. Just two weeks ago, the Treasurer said he was not going to encourage what he called "forced levels of economic expansion" by means of a personal income tax cut. How an increase from our current level of activity could be forced growth is beyond me. But what is significant is that the Treasurer and the government of Ontario are virtually alone in their present stance.

What we in the NDP advocate in terms of job creation and tax cuts is solidly backed by a wide variety of expert opinion, while the experts are almost equally unanimous in their judgement that further tax concessions to business will have no stimulative effect. That has certainly been the experience of the past year. The rate of machinery investment, for example, went up by 2.4 per cent; we created only 29,000 jobs. We're not doing the job were the Treasurer's answers.

We simply cannot stimulate the economy from the top. If we put money into the consumers' pockets, however, if we start from the bottom, however, we will inject demand into the spending stream; we will create jobs; we will restore investment and restore confidence to the business sector.

Mr. Deans: Did you hear that, Darcy?

Mr. Cassidy: Let me cite some of the voices that have been calling for a tax cut in order to get the economy of Ontario, or the economy of Canada, moving. Chief among them is the Ontario Economic Council, whose report came out just before the budget. They

are supported by the Economic Council of Canada, by the C. D. Howe Research Institute, by economists Abraham Rotstein and Dian Cohen, by the Canadian Labour Congress, and even by the economists for the Canadian Manufacturers Association.

The support is so widespread, in fact, that it even extends to Lincoln Alexander, the Conservative opposition in Ottawa and to the official Conservative finance critic in Ottawa, Sinclair Stevens, who this month in his reply to the federal budget called for a substantial personal income tax cut, with the greatest benefit going to people earning less than \$8,000 a year.

Mr. Breithaupt: Surely he'd like some for himself, as well?

Mr. Cassidy: Speaking for a party which has a strong tradition of saying the same things at both levels—at the federal and at the provincial level—I really wonder how the messages can be so different between the Conservative opposition in Ottawa and the provincial Conservative government.

Mr. Reid: That's you, monolithic.

Mr. Breithaupt: You are against everything, so it is easy.

Mr. Lewis: Your sister government in Zaire.

Mr. Wildman: Rhodesia.

Mr. Nixon: Both levels of the NDP say what Joe Morris tells them.

Mr. Cassidy: We in the NDP acknowledge that there are significant restraints to the amount that Ontario can afford to put into stimulating the economy this year. What we deplore in particular is that there is no effort at all being made.

Ontario has so misspent its good years for the political benefit of the Tories that when action is really needed, which is now, the cupboard is virtually bare. Since we anticipate that the Treasurer's budgetary deficit will probably be \$400 million higher than he forecast—that is, it will exceed \$1.4 billion—we feel compelled or constrained to propose only those fiscal measures which will not further increase the deficit.

I would that we could do more, and I regret that we cannot do more.

There are three elements in the fiscal stimulus which we believe should be applied to get Ontario's economy moving and to get its people back to work. The first is direct

job creation through the energy-saving programme which I have already outlined, a programme to insulate Ontario's houses beginning now and completing the job over the next 10 years. We estimate that a \$50 million programme in grants, along the lines that I have described, would generate \$150 million in new spending in the economy; would provide for more than 100,000 homes to be made fuel-efficient; would generate important long-term savings for Ontario consumers and the Ontario economy; would begin to reduce Ontario's needs for capital in the energy sector; and could provide up to 10,000 jobs between now and the winter—and those are full-time jobs, not the kind of summer work the Treasurer is providing.

Secondly, we are calling for an Ontario youth careers programme that would provide full-time work for about 8,000 young workers this year. I've already described how that programme would work. I wish it could be more, but this is certainly a more significant effort than the 250 full-time jobs for youth that are promised by the Treasurer.

We estimate that the cost of providing 8,000 jobs as a part of our package of stimulating the economy would be about \$40 million this year.

Third, the New Democratic Party believes that there should be a cut in personal income taxes to stimulate the economy and that it should be as substantial as resources permit. I've already outlined a number of areas where we believe resources are available because of misapplied tax incentives in other parts of the economy.

This tax cut should be directed to families in low and modest incomes to ensure that it is spent and not saved. Without increasing the deficit a nickel, it should be possible to draw money from the Treasurer's dubious incentives to business and to provide for tax cuts that would be greatest for people on the lowest incomes.

Such a tax cut would do four things: It would increase real growth in the Ontario economy this year, and it would do so substantially; it would increase employment and reduce unemployment; it would have a positive effect on the rate of productivity growth in Ontario; and it would serve to restore confidence in an economy in which the Conservative government of Ontario seems to have lost faith.

[5:00]

Mr. Deans: The Treasurer just doesn't understand.

Mr. Cassidy: To conclude, we in the New Democratic Party find this to be a profoundly disappointing budget. As the unemployment rate climbs towards eight per cent, the evidence rises every day that the Treasurer and the government are mismanaging Ontario's economy. The Treasurer's budget is filled with misrepresentations from beginning to end and its distortion of figures for political purposes is fundamentally dishonest. The callous decision to accept a permanent army of more than 200,000 unemployed by redefining the full employment target in Ontario reflects both on the government's mismanagement of the economy and on the Treasurer's warped sense of social priorities.

Mr. Makarchuk: Now you've got throw-away people.

Mr. Cassidy: In particular, his condescending attitude toward so-called secondary members of the work force is unjustified and will be resented by every woman worker in Ontario. As the member for Brantford says, it's a throw-away society, and now this government is going to throw away people.

Effective April 19, 1977, the word "progressive" is no longer applicable to the Conservative Party of Ontario. The Treasurer is failing to provide the leadership needed to bring Ontario out of its economic doldrums. His budget is totally devoid of any coherent plan for the future structure of Ontario industry. He was trying to divert attention from our present difficult situation by presenting a plan to achieve a balanced budget which can only be described as a fantasy.

In this speech I have tried to outline how my party would tackle Ontario's difficult economic situation over the next five to 10 years and for this year. Our most urgent priority now must be to get the Ontario economy moving and to put Ontario workers back to work. The corporate concessions that are offered as a solution by the Treasurer demonstrate that it is he and not the New Democratic Party who is the real prisoner of ideology in this Legislature.

We need to take those corporate tax cuts and put them into programmes to get our young people working, to provide direct job stimulation in a useful and responsible way, to begin to prepare for a future of scarce energy and to put money in people's pockets where it will be spent both to stimulate the economy and to restore confidence in Ontario's future. That is the programme for 1977 of the Ontario New Democratic Party.

Mr. Deans: He should resign.

Mr. Cassidy: On behalf of my party, I'm moving an amendment. I want to assure you, Mr. Speaker, that this is couched in technical terms so that it will be understood by the economists in the Treasury.

Mr. Lewis: In soft and gentle terms compared to what we would have wished.

Mr. Cassidy: That's right.

Mr. Speaker: Mr. Cassidy moves—

Mr. Breithaupt: Dispense.

Mr. Renwick: No, read it.

Mr. Speaker: I think we should read it. It's fairly short.

Mr. Bullbrook: I think it is out of order too.

Mr. Speaker: Mr. Cassidy moves, seconded by Mr. Lewis, that all the words after "that" in the main motion be struck and the following added:

"This House deplores the mismanagement by the government of Ontario's economy, condemns the misrepresentation by the Treasurer of the government's fiscal situation and Ontario's economic prospects, rejects a policy which accepts a permanent army of 200,000 unemployed, regrets the failure of the Treasurer to provide any long-term direction for Ontario's industrial development and future prosperity, condemns the slavish addiction to ideology which has led the Treasurer to offer corporate tax handouts as his only remedy for our short-term economic stagnation and, above all, calls for a reordering of the expenditure programme to create jobs in order to put the province back on the road to economic strength and security."

Mr. Peterson moved the adjournment of the debate.

Motion agreed to.

Mr. Cassidy: As a matter of privilege, Mr. Speaker, I had been led to understand that the Conservative speechwriters were writing heckles for this particular speech, and I want to express my regret they didn't come in with them.

Mr. Speaker: That's not really a point of personal privilege or order.

Mr. Cassidy: Not a word about Manitoba.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen

the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

Clerk of the House: The following are the titles of the bills to which Her Honour has assented:

Bill 10, An Act to amend The Election Finances Reform Act, 1975.

Bill Pr2, An Act respecting the Trustees of the Toronto General Burying Grounds.

Bill Pr4, An Act respecting Canada Trustco Mortgage Company.

Bill Pr5, An Act respecting the Borough of York.

Bill Pr6, An Act respecting Webwood Investments Limited.

Bill Pr9, An Act respecting the Borough of East York.

Bill Pr11, An Act respecting Lombardo Furniture and Appliances Limited.

Bill Pr13, An Act respecting Kevalaine Corporation Limited.

Bill Pr16, An Act respecting Fred Leblond Cement Products Limited.

Bill Pr19, An Act respecting The Roman Catholic Episcopal Corporation for the Diocese of Alexandria, in Ontario, Canada.

Bill Pr20, An Act respecting the Village of Erie Beach.

Bill Pr24, An Act respecting Frank Post Enterprises Limited.

Hon. Mr. McKeough: I'm so glad that the cameras have been brought in while I move the adjournment of the House.

On motion by Hon. Mr. McKeough the House adjourned at 5:05 p.m.

APPENDIX

(See page 846.)

Answers to questions were tabled as follows:

28. Mr. Mackenzie—Inquiry of the ministry: Will the Minister of Labour table the number of active files on the desk of each claims review officer at the Workmen's Compensation Board and the number of overtime hours that each claims review officer has worked over the last six months to March 31, 1977? Tabled April 7, 1977.

Answer by the Minister of Labour (B. Stephenson):

Since there is no such title as claims review officer, this answer contains information regarding both the claims review specialist in the claims review branch and the adjudicators in the claims adjudication branch. Both branches are part of the claims services division.

The review specialists review adverse decisions recommended by the claims adjudication branch before the employee and the employer are notified of the decision, therefore, they see only a small percentage of all decisions made. Since January 1, 1977, each review specialist has handled an average of 36 claims per week, which is considered to be an acceptable workload. The overtime is practically non-existent with only four hours since January 1, 1977, for the entire group.

In a report to the board dated April 5, 1977, the executive director of the claims services division advised that the total caseload of active claims in the claims adjudication branch was on the increase. As of January 1, 1977, the number of active lost-time claims for each claims adjudicator varied from 248 to 614 depending on the level of claims complexity and the experience of the claims adjudicator. During the six month period ending March 31, 1977, each claims adjudicator worked an average of five to six hours overtime per week.

The executive director of the claims services division recommended a substantial increase in the number of adjudicators to provide greatly reduced caseloads, which will result in better and more prompt handling of claims for the injured person with a minimum of overtime. A modification in the organization of the claims adjudication branch was also recommended to provide improved supervision, guidance and control of the claims adjudication function.

The board approved the recommendations on April 19, 1977, and the first new group of claims adjudicator trainees will commence training on May 17, 1977.

29. Mr. Moffatt—Inquiry of the ministry: Will the Minister of Revenue advise what are the regulations regarding late filing of returns of retail sales tax collected by vendors? How much in penalties has been collected during each of the last three years? Are all retail sales tax collectors subject to the same regulations or are there different regulations depending on the amounts collected? Tabled April 12, 1977.

Answer by the Minister of Revenue (Mrs. Scrivener):

Section 27 of The Retail Sales Tax Act provides for the following penalties for late filing of returns of Retail Sales Tax collected by vendors: 1. Five per cent of the tax that was collectable for the period covered by the return, if the amount of the tax was less than \$10,000; or, 2. Five hundred dollars, if the amount of the tax was \$10,000 or more.

The following are the amounts of penalties assessed during each of the last three fiscal years: 1974/75—\$289,937; 1975/76—\$374,212; 1976/77—\$554,591.

All sales tax vendors are subject to the same penalty provisions.

30. Mr. Mancini—Inquiry of the ministry: Would the Minister of Consumer and Commercial Relations indicate to the House the criteria by which liquor inspectors are hired? In particular, could the minister table the application forms, letters of reference and any correspondence concerning the hiring of Mr. Carl Vargas, as liquor inspector, serving the eastern half of Essex county? Also, could the minister table the names and qualifications of all other applicants applying for that particular job? Also, could the minister furnish in writing, the reasons why Mr. Jack Davenport was removed from the Leamington area as liquor inspector, and Mr. Vargas was sent in? Tabled April 12, 1977.

Answer by the Minister of Consumer and Commercial Relations (Mr. Handleman):

The Liquor Licence Board of Ontario initially advertises vacancies for inspectors internally, and if no suitable applicant is found recruiting is carried out in the area where the vacancy exists.

Applicants for a position are advised of the following: Duties: to conduct regular inspections of licensed premises, issuing work orders when deficiencies are noted; follow up on work orders for compliance; to conduct follow-up interviews with licence inquirers or applicants and to provide advice and guidance on requirements and necessary documentation; to arrange and schedule regular inspections ensuring all premises are inspected at the prescribed times; to act as an Inspector under The Hotel Fire Safety Act. Qualifications: Ability to gain a thorough knowledge of The Liquor Licence Act; knowledge of proper reporting techniques and able to communicate effectively, verbally and in writing; ability to work nights and week-ends as part of monthly work; high degree of diplomacy and tact.

Nine applicants were considered for the position and four interviewed. Mr. Carl Vargas submitted an application by mail and was interviewed. He was employed effective April 5, 1976. A copy of the application forms [on file with Clerk of the House] and letters of appointment are attached. There were no letters of recommendation requested as a result of favourable police and credit reports. We are advised that it would not be appropriate to submit names of individuals who were considered since the application is made in confidence and could jeopardize their current employments.

At the time of the hiring of this inspector, there were some 286 licensed establishments being inspected by four inspectors. A desirable workload at that time was considered 50 establishments per inspector and the areas of all inspectors in that geographical area were adjusted to reduce and redistribute workload.

It is an administrative policy of the board to change inspector's calls from time to time. Both Mr. Davenport and Mr. Vargas are highly regarded inspectors and their performance is more than acceptable to the board. It should be pointed out that the Liquor Licence Board does have an approved complement and must operate within these levels.

Mr. Carl E. Vargas,
1474 Dougall Avenue,
Windsor, Ontario. N8X 1R8

4666
March 8, 1976.

Dear Sir:

Further to your application as an inspector with the Liquor Licence Board, please be advised I have been instructed to inform you that you have been appointed to the Liquor Licence Board Inspection staff as a licence inspector effective Monday, April 5, 1976, at a starting salary of \$11,485 per year.

You will be paid mileage for the use of your car on board business at rates set out in the back of the travelling expense form which you will use to claim for mileage and other expenses incurred while on duty for the board.

Sick leave credit at the rate of one and a quarter days per month may be accumulated and vacation after one year's service will be fifteen days. No vacation time will be credited to you until after you have been with the board a period of six months. All appointments to the Liquor Licence Board staff are probationary for at least the first six months. After completing this period of time, and the employee is satisfactory, he or she will be appointed by order in council a permanent public servant.

The Liquor Licence Board and Liquor Control Board have an excellent credit union, health insurance plan and other types of life and accident insurance. All group benefits will be explained to you during your training period.

Please arrange to be in my office Monday, April 5, at 8:30 a.m., for an interview and further instruction, and be prepared to remain for two or three weeks. Accommodations have been arranged for you at the Harbour Castle Hotel, 1 Harbour Square, for Sunday, April 4.

Yours truly,
R. G. Lamb,
Director of Inspection.

RGL/s1

31. Mr. Ferrier—Inquiry of the ministry: Will the Minister of Transportation and Communications table the figures of the savings to be realized to the Ontario Northland Transportation Commission by the closing of the South Porcupine railway station? Tabled April 12, 1977.

Answer by the Minister of Transportation and Communications (Mr. Snow):

The Ontario Northland Railway estimates a saving of \$44,000 during the first fiscal year, and \$24,000 each year thereafter.

32. Mr. Ferrier—Inquiry of the ministry: Will the Minister of Transportation and Communications provide a list of the number of management personnel and permanent staff in all the departments of the operations of the Ontario Northland Transportation Commission? Tabled April 12, 1977.

Answer by the Minister of Transportation and Communications (Mr. Snow):

The Ontario Northland Transportation Commission employs 201 management personnel and 1,621 permanent staff.

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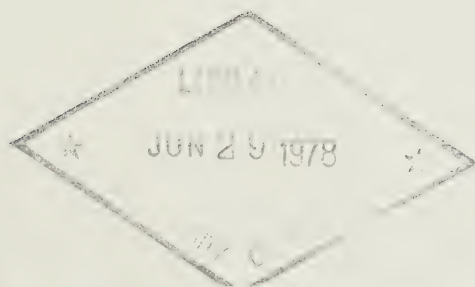
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Legislature of Ontario Debates

Official Report (Hansard) Daily Edition



Fourth Session, 30th Parliament
Tuesday, April 26, 1977
Afternoon Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 26, 1977

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

MANPOWER CONTROL

Hon. Mr. Auld: In the budget address last week, the Treasurer announced that I would make a statement outlining the government's new manpower policy. Today, Mr. Speaker, I have tabled a paper on manpower control in Ontario. The paper describes the new manpower control policy and outlines the ways that it can contribute to significant improvement in human resource management and manpower control in the civil service.

This paper also sets out details of the present manpower control system and outlines its method of operation during the period of expenditure constraint, commencing with the 1975 budget.

It also covers the opportunities for improvements to the present system, keeping in mind the requirements of ministries, Management Board and the Legislature.

Then, the new manpower control policy is described. The policy consists of three elements—annual salary and wage dollar control, classified staffing control, and staffing information system. The paper explains each of these elements and describes how they contribute to the requirements of the Legislature, Management Board and the ministries.

The implementation of the new manpower control system will be gradual and will take place on a ministry-by-ministry basis throughout the 1977-78 fiscal year.

ENVIRONMENTAL ASSESSMENT

Hon. Mr. Kerr: Later today, Mr. Speaker, I will be introducing an amendment to The Environmental Assessment Act which permits a broad inquiry into various developments in northern Ontario, including the Reed proposal for the harvesting and use of timber resources. The amendment will allow the government to appoint Mr. Justice Patrick Hartt to conduct an inquiry into major developments

north or generally north of the 50th parallel north latitude. By the broad definition of the environment in the Act, the amendment will authorize the inquiry to consider both the natural and human environments including the cultural, social and economic aspects of a proposed development.

As soon as this amendment is passed by the Legislature, a recommendation for an order in council will be presented to the Ontario cabinet appointing Mr. Justice Patrick Hartt to conduct the inquiry.

Mr. Lewis: When will we have it?

Hon. Mr. Kerr: Under the terms of the order in council, Mr. Justice Hartt will have the discretion to decide which major enterprises located north of the 50th parallel will be inquired into; the government will also have the discretion to refer to Mr. Justice Hartt developments located in the north that it feels should be considered. The order in council will refer the Reed proposal to the inquiry.

The terms of the amendment and of the order in council are acceptable to Mr. Justice Patrick Hartt and the representatives of the native people concerned. We are looking for a number of positive benefits from this inquiry: a broader range of information on the full environmental implications of the Reed Limited proposal to guide the Environmental Assessment Board and the government in their future considerations of this project; an extensive public forum in which many of the issues in this and other proposed developments can be identified and to some extent resolved; the recommendation of new approaches to planning and assessing resource-based development in the sensitive environment of northern Ontario. I also expect some indication of the extent to which The Environmental Assessment Act should be applied to various types of development in the north.

This new approach to evaluating northern development is a much broader application of the principles of environmental assessment. We are depending on the Hartt inquiry to break new trails and guide us further towards a better future for northern Ontario.

The conduct of the inquiry is in Mr. Justice Hartt's hands. He is authorized to call and

examine witnesses, produce and review any relevant documents and conduct any meeting or public hearings required in any location he chooses for the inquiry. In public reports he will provide me with information and advice on the issues referred to him. His reports will, I am sure, provide valuable information and guidance to the government and the Environmental Assessment Board in his subsequent hearings and decisions on any proposals studied in the inquiry.

Mr. Reid: On a point of order, Mr. Speaker.

Mr. Speaker: Point of order?

POINTS OF ORDER

Mr. Reid: Actually, I have three, Mr. Speaker. I'll begin with the one relative to the statement just made. Does the minister have any relevant documents to table with the Legislature in regard to his statement today as to the terms of reference? Will they be part of the amendment or is the minister going to table those as the new rules of the Legislature require?

Hon. Mr. Kerr: I am introducing a bill, Mr. Speaker, as the hon. member realizes; it's not just a statement. The compendium will be attached to the bill, and it was my intent to table the terms of reference before second reading.

Mr. Reid: A further point of order, Mr. Speaker: On the introduction of the bill setting up the Ministry of Northern Affairs, there was no relevant material tabled at that time—

Mr. Lewis: But there isn't any.

Mr. MacDonald: Table the minister.

Mr. Reid: —I presume it's because there is none and that there wasn't really any background studies except the horizontal rise of the former Minister of Natural Resources (Mr. Bernier). I wonder if there is any material to be tabled.

Mr. Lewis: It is a job security programme. You get activated, don't you, Leo?

Mr. Speaker: That's not a point of order. If there was material to be presented, it must have been presented. If there was no material, then it is impossible to present nothing.

Mr. Reid: There is no material; that was my point. I just wanted to know.

Mr. Lewis: A job-creation programme for one minister.

Mr. Reid: I have a further point, Mr. Speaker.

Mr. Speaker: A further point?

Mr. Reid: I have in my hand a report sent out by a member of the Legislature, an NDP member, under the guise of being a constituency report, which contains three questions that are of an extreme political nature. One of them I can't fathom any intelligent person replying to in the affirmative: "Would you like to learn more about the Ontario New Democratic Party?" I think everybody knows too much, or enough, about them already. But I want to bring this to your attention, Mr. Speaker, because I believe it is a crass political document and that public funds are being used to proselytize a particular party and ideology. I would hope that you would look into it. I'll send it to you.

Mr. Speaker: I believe the member does not have a point of order, but I'll check into it and, if so, I'll take the necessary action.

Mr. Reid: A point of privilege then, if you like.

Mr. Speaker: There seems to be nothing out of order here as far as the operation of the House is concerned. However, we will study the document and report if necessary.

Mr. Nixon: It's just a waste of public funds—misappropriation.

An hon. member: Whose report is it?

Mr. Speaker: Order.

Mr. Lewis: Speaking to the point of order, Mr. Speaker—

Mr. Speaker: No, it's over with.

Mr. Lewis: —in my riding report—

Mr. Nixon: He said there wasn't a point of order.

Mr. Lewis: —I invited people to say if they'd like to help the Conservative and Liberal Parties and got seven responses out of 700 replies.

Mr. Reid: It is still public funds.

Mr. Lewis: But in a good cause, you will admit.

Mr. Breithaupt: That is uncertain.

ORAL QUESTIONS

MERCURY POLLUTION

Mr. Lewis: Perhaps I should ask a question of the Premier, Mr. Speaker. In the light of the meeting this morning of the chiefs in northern Ontario who asked to have the English-Wabigoon River system finally closed and indicated that if the government couldn't somehow, sometime, render a decision on this, they would have to step up their campaign, including lobbying through southern cities and again closing the road on the reserve, is it possible for the Premier to indicate what the government will do and when?

Hon. Mr. Davis: Mr. Speaker, it's not possible for me to indicate anything today. I wasn't aware that the chiefs were meeting this morning, but I had heard that this possibility might exist. It's a matter that is presently being discussed by cabinet. As soon as I have some information to share with the House and the public I shall do so, but I haven't anything that I can usefully say to the House today.

Mr. Lewis: If I may ask the Premier, by way of a supplementary, since this matter has been under discussion now for a couple of years and has passed back and forth, federally and provincially, for several months while the native peoples have waited for a reply, and since the government commissioned a study through the former Minister of Health (Mr. F. S. Miller) to send a study team on mercury poisoning to Iraq and Japan, and since that study paper said about mercury-contaminated fish and its effect on human health, in recommendation No. 2: "It is recognized that the most effective method of achieving recommendation 1"—that is, not to use fish for human or animal food—"is to close the waterway to all forms of fishing. In particular, this would protect the fishing guides who are the population most at risk," why is there the endless resistance to the arguments when his government has itself documented the position in June of 1976?

Hon. Mr. Davis: I don't think it's a question of endless resistance to some of the arguments. I think it's a case of the government endeavouring to come up with a workable solution that is in the interests of the native people themselves. I'm aware of this report and other discussions. As I said to the hon. member, it is a matter that is presently before cabinet and when we have some further information to share, either I shall, or the minister will, be prepared to do so.

Mr. Lewis: May I ask which minister would report on this matter?

Hon. Mr. Davis: Probably the Minister of Natural Resources.

Mr. Reid: Supplementary: Can the Premier indicate whether the problem is an agreement between the province and the federal government as to the closing down, and exactly who has the authority to close the river? Is it the federal government, the provincial government or both of them in combination?

Hon. Mr. Davis: Mr. Speaker, I'm going by memory. I think, legally or technically, it is the federal government which must effect the closing. I think I'm right in that.

Mr. Foulds: I have a supplementary: Can the Premier share with us at this time what he and his cabinet would consider the factors that need to be taken into account in their "workable solution"?

Hon. Mr. Davis: I endeavour to share as much as I can with the members opposite, but I have to say to the hon. member on this occasion that I really can't prejudge for him some of the matters that will be discussed and I really just can't help him with that particular question.

Mr. Lewis: One quick, last supplementary: Could I ask the Premier, in case he hasn't seen it—and it's possible he hasn't, because it's very recent—to take a look at the Study on the Detection of the Effects of Methyl Mercury on Man, done by Clarkson, Marsh and Myers of the Environmental Health Sciences Centre at the University of Rochester and supplemented by Dr. Prichard at the University of Toronto, with several scientists in Iraq, who point out that present clinical methods for detection of mercury effects are minimal, and end up by saying: "In short, were we to rely on current clinical methods, a major outbreak of poisoning could occur without any prior warning"? Since it is, in a sense, new scientific evidence of the dilemma up there, could it be considered among the cabinet documents?

[2:15]

Hon. Mr. Davis: I am sure that some members of cabinet would be quite prepared to familiarize themselves with that particular information. I can't say that all of us in cabinet will become completely knowledgeable with respect to it, but certainly we would be quite prepared to have the group assess that particular document.

REED PAPER

Mr. Lewis: A question of the Minister of the Environment, referring to his statement. If Justice Patrick Hartt in his inquiry were to find, over the course of the next two years and prior to the actual environmental studies material relating to Reed being available, that there were various small developments—economic and social—of benefit to that part of the north, independent of any particular project, would the minister be prepared to accept that as a basis on which to proceed—providing jobs and all the other things this Legislature wants—without waiting for a final document four or five years down the road?

Hon. Mr. Kerr: Yes, Mr. Speaker.

Mr. S. Smith: That is a different tune, isn't it?

Mr. Reid: That is what you call a flip-flop.

Mr. Speaker: Order, please, the hon. minister is to answer.

Hon. Mr. Kerr: It may be assuming that The Environmental Assessment Act—

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Kerr: —now applies to the private sector.

Interjections.

Mr. Speaker: Order. The hon. minister is trying to answer the question here.

Mr. Breithaupt: That is a weak reed to lean upon.

Mr. Lewis: You have moved full circle on this one.

Mr. Speaker: The hon. Leader of the Opposition—order, please.

An hon. member: Ask the Premier to stop—

Mr. Roy: Show your independence.

Mr. Bullbrook: Send them both out.

Mr. Speaker: The hon. minister will continue.

Hon. Mr. Kerr: In the event—and I would expect that this would be so—that The Environmental Assessment Act itself applies to the private sector, that Act and the provisions of that Act would still apply to any project

that may be developed in the north or any part of the province. But, certainly, if the Hartt inquiry indicated that the type of project to which the Leader of the Opposition refers was appropriate in the north, I would expect that it would have a great deal of effect on the Ministry of the Environment and the minister himself, as far as approvals were concerned.

Mr. Lewis: By way of a supplementary: We can proceed where it is appropriate to proceed, without waiting five years down the road on the one particular project which triggered all this?

Hon. Mr. Davis: No, indeed.

Mr. Reid: Well, you have got it both ways now.

Mr. Foulds: Supplementary: If the terms of the order in council, as the minister says on page two of his statement, are acceptable to Mr. Justice Patrick Hartt, presumably they have been drawn up and are in printed form. Could the minister make those terms available at the present time to the Legislature, even though the legislation has not passed?

Hon. Mr. Kerr: As I indicated, I would like to take this to cabinet tomorrow. Before we discuss this bill on second reading, the terms of reference will be made available to the members of the House.

RESTITUTION BY COURTS

Mr. S. Smith: I have a question for the Attorney General: Is the Attorney General satisfied that he has done everything in his power to persuade Crown attorneys—and the court system generally—to make more use of restitution as part of the sentencing procedure, particularly in cases of vandalism where people are apprehended? And can he say whether or not he has asked the federal government to move in that direction, in keeping with the recommendations of the Law Reform Commission?

Hon. Mr. McMurtry: Yes. As I recall, approximately a year ago I sent a memorandum to all the Crown attorneys in the province of Ontario requesting that they not only make greater use of these restitution sections of The Criminal Code but also assist victims of crime in presenting the necessary documentation to the Court when they appear in court in order that the proper order in the correct amount might be made.

I might say that there is some legal, constitutional cloud over this issue. I think it was resolved by the Ontario Court of Appeal a few months ago, when these sections of The Criminal Code were challenged on the basis that they were dealing more with matters of property and civil rights—provincial matters, as opposed to criminal law. The Court of Appeal ruled in favour of the restitution provisions.

As a matter of interest and a matter of information only, the Manitoba Court of Appeal has ruled differently, and the matter will probably be finally resolved in the Supreme Court of Canada in the not too distant future. But in the meantime we are encouraging our Crown attorneys to make as much use of these provisions as is possible.

Mr. S. Smith: Supplementary: Could the Attorney General give us some indication of the results of the letter which he sent a year ago to the Crown attorneys, and whether there has been an improvement in that regard? Specifically, when he's on his feet reporting on these results, could he tell us whether he's taken any special initiatives with regard to recent vandalism in the western part of Hamilton where apparently, it is alleged, those who were involved are quite willing to make restitution but are hoping the court will arrange a method whereby this can be done?

Hon. Mr. McMurtry: Dealing with the latter part of the supplementary question first, I don't know the particulars of the matter in the west end of Hamilton to which the leader of the Liberal Party is referring. If he were to provide me with the particulars I would be happy to discuss it with the local Crown attorney in order to assist in what I think is a very important endeavour.

I do not have any statistics at the present time with relation to the success or otherwise of my instructions to the Crown attorneys. We are attempting to gather that. Recently we instituted in the province a system of regional Crown attorneys in order to facilitate information such as this coming from various parts of the province to 18 King Street East, and I would hope we will have some useful information in the near future.

Mr. Stong: Supplementary: In the light of the conflict between the Ontario Court of Appeal and the Manitoba Court of Appeal dealing with restitution in property and civil rights, would the Attorney General consider amending The Ontario Evidence Act, section 9 of The Provincial Courts Act, RSO 1970,

and section 14 of The County Courts Act, RSO 1970, to eliminate any doubt that those courts have power over property and civil rights in the question of making restitution and proper reparation in criminal proceedings?

Hon. Mr. McMurtry: I'm not so sure that that would have the effect of resolving the issue, but we would be quite happy to look at those sections with that in mind. I want to assure the members of the House that notwithstanding the legal cloud that is still over this matter in relation to the conflicting decisions in Manitoba and Ontario, in Ontario we are proceeding on the basis of the decision of our own Court of Appeal. The resolution of the matter by the Supreme Court of Canada in no way is hindering us in that purpose.

Mr. S. Smith: I thank the minister for his answer.

INSULIN PRICES

Mr. S. Smith: I have a question for the Minister of Health: Has he completed his investigation of the large price increase with regard to the product insulin? Is he satisfied with regard to the pricing of that product at the moment? Does he plan any measures to ensure that diabetics are not left at the mercy of increasing price rises of the kind that have happened this year, particularly here in Ontario since last July?

Hon. Mr. Timbrell: No, Mr. Speaker, we haven't.

Mr. S. Smith: Supplementary: Can the minister indicate to this House when he's likely to have some answer? When he's looking at the matter, has he any plans for dealing with Connaught Laboratories? For instance, is the Ontario government thinking of any way in which the laboratories could be re-acquired, either by the government or by the University of Toronto, or is the minister satisfied with the present operation under the CDC?

Hon. Mr. Timbrell: To answer the second part first, I do not believe it's in any way necessary to consider bringing Connaught Labs back under government jurisdiction, whether it be through the university or as a Crown corporation of a provincial government or in any other kind of business setup, other than what they are now under the CDC. Over a month ago I expressed in a letter to my federal counterpart, Mr. Lalonde, concerns about the problems that the CDC

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having with its finances. I think there are things that the federal government could be doing, and I would hope that when the ministers of Health meet in Ottawa—I think it's on June 21—this is something we could discuss either at the meeting or privately with Mr. Lalonde.

Mr. S. Smith: A brief supplementary, if I might: Would the minister care to comment on the 23 per cent increase which followed on the 11 per cent increase and indicate whether he feels that is acceptable and satisfactory in the light of what he has learned so far?

Hon. Mr. Timbrell: The very first question was had I completed the review of the price increases, and the answer to that was no. So no, I wouldn't care to comment at this time.

Mr. Moffatt: When the minister is involved in his conversation with regard to Connaught Labs, I wonder if he would make part of that conversation—

Mr. Speaker: Order, please. The question had to do with a price increase—

Mr. Moffatt: That's correct, Mr. Speaker. With regard to Connaught Labs, would it be possible for the minister to investigate whether the transfer of the patents for insulin, which were left to the University of Toronto, were included in that? Also if in fact it is legal for a profit to be made from the sale of insulin by Connaught Labs?

Hon. Mr. Timbrell: I'll ask that question.

Mr. Moffatt: Good.

Mr. Speaker: No questions over here? The hon. member for Downsview.

Well, all right, for York South, then.

Mr. Nixon: We don't take that sitting down.

Mr. Roy: You're acting as though you are still leader.

Mr. MacDonald: I am delighted to learn that the Liberal Party is awake today.

Mr. Speaker: Order, please. Now we'll have the question.

AID TO THE THIRD WORLD

Mr. MacDonald: A question of the Premier: In view of his commitment to the delegation from the Ontario Council for International Co-operation on April 5 that he would shortly indicate whether or not the government had got cabinet approval after

his presentation to cabinet of some form of financial assistance on international projects of food aid and development if they have been approved by CIDA, is the Premier in a position to report to the House?

Hon. Mr. Davis: No, Mr. Speaker. As I indicated to the House—I guess two weeks ago, a week ago, whenever it was—the group was in with a somewhat altered proposal. They had either five or six points; we agreed with, I think, two of them, and I said that as soon as possible and I hoped in about three weeks—I think it will be another week or 10 days, quite honestly; we have not had a chance to deal with it; there have been one or two other matters of priority that we wish to get before this House that I am sure the members are aware of—but as soon as we have an opportunity to deal with it, not only will I inform those—

Mr. Cassidy: Leave all the awkward decisions until after the fateful day.

Hon. Mr. Davis: Say, I understand you had a new suit yesterday.

Mr. Reid: It was a rental.

Mr. Breithaupt: He only had it until 5 o'clock.

Mr. Speaker: Order, please, interjections will be ignored.

Hon. Mr. Davis: Really very impressive.

But as soon as we have, certainly I will inform the hon. member.

Mr. Good: A supplementary to the Premier: In view of the fact that the Premier's former refusal to grant this consideration was based on jurisdictional, administrative, and legalistic arguments, would the Premier, when reconsidering it, consider the moral and philosophical grounds on this and consider it in the fact that maybe Ontario just does have an obligation to contribute to the development of the Third World countries?

Hon. Mr. Davis: With great respect to the hon. member—and I thought I had explained it to him when he asked the question—it's not just a question of a legal or administrative argument. Part of it—

Mr. Good: Well, it was.

Hon. Mr. Davis: No, with great respect, I was there at the meeting, the hon. member wasn't; and I know what I said. I happen to know some of these people fairly well, and I have a lobby within my own family as it relates to this particular issue, so I'm as

familiar with it as the hon. member is. Maybe more so.

Mr. Eakins: Don't bet on it, Bill.

Hon. Mr. Davis: And I would say to the hon. member that it was partly a philosophical concern with respect to the perception of, and the question of, whether a provincial jurisdiction should be directly involved in terms of international agreements or aid.

Mr. MacDonald: You are now. Phoney argument.

Mr. Speaker: Order, please.

Hon. Mr. Davis: On an ongoing sort of basis I made it very clear to the people who were there that in philosophical terms as to what the government of Canada was doing, the functioning of CIDA, our support for the CIDA programme, that they had a supporter as far as I was concerned; and I think I speak for all of my colleagues. The real discussion centred on whether the provinces, as provincial jurisdictions, in philosophical terms should be really doing—

[2:30]

Mr. MacDonald: You are involved now.

Mr. Speaker: Order.

Hon. Mr. Davis: —that which, I say with respect, the federal government of this country should be doing. It was as simple as that.

Interjections.

Mr. Speaker: Order, please.

Mr. Roy: Can I ask one quick supplementary?

Mr. Speaker: It will be the final supplementary.

Mr. Roy: Supplementary: In view of the fact that the Premier said he would be making a statement on this in 10 days, will he be making a statement in the House in 10 days or some place else?

Hon. Mr. Davis: I would say to the hon. member for Ottawa East that there are those who have tried to get the answer to the question he just asked in a far more subtle fashion—far more subtle, far more subtle.

Mr. Breithaupt: But none more effectively.

Hon. Mr. Davis: Now that I've told him there are more subtle ways to ask the question, he may think of one between now and the end of the question period.

Mr. Roy: Are we having an election shortly?

Mr. Speaker: No, no. That was the last one.

Hon. Mr. Davis: Are you going to run?

RESTITUTION BY COURTS

Mr. McKessock: A question for the Attorney General. In view of the Verdun Rae case pertaining to the question of restitution in criminal proceedings, when does the Attorney General intend to introduce an amendment to the Ontario Evidence Act, whereby previous convictions for criminal or provincial offences would be admissible in subsequent civil proceedings as proof of the fact giving rise to the conviction?

Hon. Mr. McMurtry: The Ontario Law Reform Commission very carefully studied this whole problem and, as a matter of fact, dealt with it in relation to their study on matters of evidence generally. I tabled the report of the Ontario Law Reform Commission some weeks ago—I don't recall the actual date now, and it may be that the hon. member hasn't had an opportunity of perusing that report—but it deals with this question in some detail and recommends against such an amendment to the Ontario Evidence Act.

We're considering very carefully all of the recommendations made by the Ontario Law Reform Commission, as they obviously have great importance with respect to the administration of justice as a whole—not just in this area but in the whole broad area of the administration of justice—and we intend to react to these proposals when that review has been completed.

In this particular area, I personally am of the view that there are amendments that should be brought forward to avoid the situation that was faced in the case of the farmer who lost the cattle that the hon. member is referring to; that is, to avoid unnecessary duplication of proceedings, namely findings in a criminal court that have to be retried in a civil court. I would agree, notwithstanding the recommendations of the Law Reform Commission, that there has to be some way where we can avoid that. But until a complete review has been done of the Law Reform Commission's recommendations, which are very extensive, I don't think I can say anything further at the present time.

Mr. Roy: Can I ask a supplementary quickly on that? In view of the questions and the answers that the Attorney General has given earlier on this question of restitution,

would he not agree that the real way of avoiding any duplication of action, of course, is to have a better restitution method at the criminal hearing, which would avoid the civil proceedings? Is there any way the Attorney General can get together with his federal colleagues to resolve this issue of property civil rights, rather than just wait for some court decision?

Hon. Mr. McMurtry: I don't think the member for Ottawa East perhaps heard my last answer, because I said we didn't have to await any disposition because the law of Ontario for the present time has been clearly determined by our own Court of Appeal and we are going on the basis that that is the law of Ontario. Until we get a contrary verdict from the Supreme Court of Canada, we assume that the law does allow us to urge the courts to utilize these restitution orders wherever possible.

Mr. Speaker: The hon. Solicitor General has an answer to a question asked previously.

FIRE PREVENTION

Hon. Mr. MacBeth: On Friday last, the member for Port Arthur asked a question regarding fire prevention in northern Ontario. The Fire Marshal's office has arranged a contract for the services of two former members of the fire advisory service of the Fire Marshal's office to review the claims for fire equipment in the unorganized territories which have been submitted to the Ministry of Northern Affairs.

These two former employees are: Mr. George Alexander, the former head of the fire service advisers section of the Fire Marshal's office, and Chief Joe Miller of Mississauga, who is also a former member of that section; they are assisting the Fire Marshal in this survey and are paid through the Isolated Communities Assistance Fund programme. These two men are reviewing the applications from fire services in order that the Fire Marshal can in turn make recommendations to the Ministry of Northern Affairs as to whether or not the equipment requested is realistic. In addition, they do some training and educational work. It is our plan to eventually replace them with permanent staff members.

Mr. Foulds: Supplementary: I don't believe the minister answered the fundamental part of the question; that is, what is their total time allotment? Are they full time for a full year, as he implied in Thunder Bay?

Or are they just part time for part of the year?

Hon. Mr. MacBeth: I ended up my answer to that question on Friday last by saying that we were using all the time they had available. I don't think they are available full time, and I don't think they have given us any commitment as to how long they are ready to serve us. The answer, as far as I know, is no, they are not full time; and no, they are there for an indeterminate period.

Mr. Foulds: Supplementary: Does the minister think, in all honesty, that that is enough of a commitment to fire prevention and education throughout northern Ontario—two measly part-time people?

Mr. Breithaupt: It's not the people who are measly, it is the programme.

Hon. Mr. MacBeth: The commitment is there, and that is why I went on with this last sentence: "It is our plan to eventually replace them with permanent staff members."

Just to enlarge on the programme a little further. As the member will know, it has arisen rather quickly, in the hope of helping some of these isolated communities. Suddenly, one of the best ways to help them was with the request for fire equipment. These requests had to be analysed as to whether they were practical and whether they could be carried out; and so we recruited these two people in a hurry to do this job. We see this as eventually being a continuing programme, and they will be replaced with permanent people. That is our commitment; but so that we could move quickly, we got these temporary people with experience.

WOMEN IN LABOUR FORCE

Ms. Gigantes: A question of the Treasurer: I wonder if he has managed yet to come up with the rationale for counting all women as part of the secondary labour force in Ontario?

Hon. Mr. McKeough: I undertook to get an answer to that question. I haven't, and I will.

Mr. Lewis: It takes some time to find the answer to your own balderdash.

Mr. Cassidy: Supplementary: Can the Treasurer say on what basis his budget paper contends that the traditional rate of unemployment among women is higher than for men?

Hon. Mr. McKeough: I think the hon. member debated that at some length yesterday. I don't think we want to particularly get into debate here. I'll answer the question in due course.

WINTARIO FUNDS

Mr. Kerrio: I have a question of the Minister of Culture and Recreation. Could the minister tell me how many cases of fraud involving Wintario funds have been uncovered? How many cases are before the courts? How much Wintario money has been recovered?

Hon. Mr. Welch: As the hon. member will recall, he asked me a question along these lines last week and I indicated that there were some charges laid. That matter is now before the courts. I know of no other charges. And, of course, whether or not these charges are substantiated and any money recovered is a matter to be determined after the courts have examined all the evidence.

Mr. Kerrio: Supplementary: That doesn't quite answer my question, because we made some calls and we didn't get answers. Could the minister tell me how much of present Wintario administration costs are used for investigating; and if professional auditors will be employed to ensure proper use of the uncommitted Wintario funds?

Hon. Mr. Welch: Well, as I explained last week, too, when this question of fraud was raised, or the allegations of fraud, we do have procedures with respect to post-commitment audits. Indeed they are qualified people who are doing this. I wouldn't be able, off the top of my head, to attach some percentage of administration cost to that operation but I would be glad to get that information for the hon. member.

Mr. Roy: No? Aren't you the minister?

Mr. Good: Just give us a flat figure.

DOWNSVIEW AIRPORT DEVELOPMENT

Mr. di Santo: I have a question of the Minister of Housing.

Mr. Good: It may be his last question.

Mr. di Santo: Can the minister report to the House on the negotiations on Downsview Airport and on the meetings that have taken place since last month? In particular, can he

tell us whether the release of the site has been finalized?

Hon. Mr. Rhodes: Mr. Speaker, I cannot report to the House because I have not taken part in these negotiations. I have only been contacted through the mails by the Minister of National Defence, advising me that he was going to be making the announcement concerning the Downsview lands being available. The discussions at this time are strictly between staff. I have not had any meetings with either Mayor Lastman, Mr. Danson, Mr. Ouellet or Mr. Godfrey concerning the Downsview properties. Staff have been meeting and we are awaiting reports back from those staff meetings.

Mr. di Santo: Supplementary: Since there is some concern among the residents of that area, can the minister at least in his dealings with the federal government apply some pressure so the federal government will consider the release of the whole area, and too, that the site will be released to the municipality of North York so that it could be used for housing, thus avoiding any form of land speculation?

Hon. Mr. Rhodes: I am already on record as saying I feel the area should be planned by the community of North York, and that that is how I would like to see it go. I have advised Mr. Danson that I felt he should be dealing with North York and that it should be for housing. The hon. member I think is well aware that when it comes to the point of developing that land, putting plans of subdivision on it, of course the municipality will be very much involved and, as a result, the residents of the municipality will have an opportunity to make their feelings known.

PUBLIC HEALTH NURSES

Mr. O'Neil: Mr. Speaker, I have a question of the Minister of Labour.

Mr. MacDonald: His supporters are really awake.

Mr. Lewis: They are clapping in the dark to keep their spirits up.

Mr. O'Neil: With respect to the industrial inquiry commission looking into the dispute between the Ontario Nurses Association and certain public health units, can the minister tell us whether she has yet received Mr. Sherrif's findings, and if not, when they are expected?

Hon. B. Stephenson: No, Mr. Speaker—

An hon. member: We're surprised to get an answer.

An hon. member: Tired blood over there.

Hon. B. Stephenson: No, Mr. Speaker, I have not received the findings as yet. I anticipate that I will have them before the end of April.

Mr. Good: Withdraw your applause.

Mr. O'Neil: As a supplementary, Mr. Speaker, can the minister tell us why the industrial inquiry commission was appointed to look into only three areas of the province while there are unresolved differences in many more areas? Does she propose to set up further inquiries so that the disputes in the other areas can be resolved?

Hon. B. Stephenson: Mr. Speaker, I can't say that I am going to appoint other industrial inquiry commissions. The purpose of setting up this one was to examine as carefully as possible all of the details involved in three fairly typical disputes in widely-spread areas of the province. They seem to represent certain geographical areas. They seem to be reasonably appropriate for this kind of investigation. I will await with great interest the report of the industrial inquiry commissioner.

RACISM IN SCHOOLS

Mr. Grande: Mr. Speaker, my question is of the Minister of Education. On Wednesday last, his remarks at the opening of the Ontario Association for Curriculum Development's conference on multiculturalism in education stressed, and I quote, "that the schools must fight racism." In other words, he is joining the hon. Attorney General in that assertion.

[2:45]

Could the minister please inform the House and the schools what he proposes to do in terms of funding the development and implementation of these programmes, or is he committing the schools to fight racism without any commitment from the government?

Hon. Mr. Wells: My friend assumes that everything that is promised or suggested can be done is going to take money.

Mr. S. Smith: Or is delivered.

Mr. Reid: He knows better than that, he has been here long enough.

Interjections.

An hon. member: We don't believe you either.

Hon. Mr. Wells: There are a lot of things that the school system can do that are not going to take money.

Mr. S. Smith: The teaching of English and French.

Hon. Mr. Wells: I don't know whether members realize but we spend more of our gross national product on education in this country than any other country in the world. We spend a lot of money on education in Canada and in the province of Ontario. There are a lot of things that the education system can do to fight racism.

Mr. Reid: You waste a lot too.

Mr. Good: That's the rub.

Hon. Mr. Wells: We are going to help the school boards to identify those things and to help them to put them in place in the school system. But we're not necessarily going to provide a lot of money, because it isn't going to take a lot of money to help that attitude become prevalent in the school system of this province.

Interjections.

Mr. Grande: Supplementary: When is the minister going to turn over to the boards of education the \$10 million that the federal government gave the province for the use of increasing English by second-language classes and implementing programmes to fight racism? Why is he holding back and why does this government seem to be against the schools at all times?

Hon. Mr. Rhodes: You are as phoney as a \$9 bill.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: There has to be some kind of a limit.

Mr. Grande: More importantly, what does this government have against the children in this province who need special educational help?

An hon. member: Shame, shame.

Interjections.

Hon. Mr. Wells: Mr. Speaker, I would have expected better from my friend, because he did work for the Toronto Board of Educa-

tion at one time and I think he knows a little about the English as a Second Language Programme and about the money that is obtained from the federal government.

Hon. Mr. Rhodes: Very little.

Mr. Foulds: He knows a lot more about it than the minister does.

Hon. Mr. Wells: The only money this government gets from the federal government goes into English as a second language teaching to adults in this province, it's all spent on that particular purpose. We don't get any money for teaching English as a second language from the federal government to pass on to the school boards. They haven't seen fit to give us any money in that particular area, and I think my friend knows that.

We certainly are doing all kinds of things to make it possible to help teachers in this very important and vital area of fighting racism in our schools. If my friend read my total remarks to that national conference on multiculturalism he might be better informed as to what we're doing than he seems to indicate.

NORTHSTAR YACHTS LIMITED

Mr. Riddell: A question of the Minister of Labour: One of the businesses in the Huron industrial park owned by the Ontario government, known as the Northstar Yachts Limited, went into receivership last January. The workers have told me they are not getting any back wages, severance pay, holiday pay or OHIP premium payments on which the company defaulted. Could the minister look into the matter to see if they are not entitled to some of these back wages or holiday pay?

Hon. B. Stephenson: Yes, Mr. Speaker, I will.

INCO EMISSIONS

Mr. Germa: Mr. Speaker, a question of the Minister of the Environment: Is the minister aware of a statement by the chairman of the board of International Nickel Company, that Inco would not be meeting the emission standards of 750 tons per day of sulphur dioxide by the end of 1978, as required in a ministerial order? What is his response to the chairman's statement?

Hon. Mr. Kerr: Mr. Speaker, that statement has been made to officials of my ministry as

well. They are in compliance at the present time with the control order as far as emissions are concerned. If the company is not able to meet the emission standards that are set down, I guess it would be for the beginning of 1969, then we'll have to deal with them at that time—1979, I'm sorry.

Mr. Germa: Supplementary, Mr. Speaker: Does the minister agree or disagree with the chairman's statement that it is preferable to breathe SO₂ rather than walk around up to our ankles in sulphuric acid? Is that the only option available to the city of Sudbury?

Mr. Lewis: Is that the choice? That's a nice choice.

Hon. Mr. Kerr: No, I don't agree with that statement.

Mr. Lewis: Sensitive people.

Mr. Bain: Supplementary: Will the minister assure the House, in the strictures that have been placed on the companies in Sudbury, that these guidelines, when enforced, will ensure that sulphur dioxide does not pollute the many lakes in the area, consequently reducing the fish and being very harmful to tourism in the whole area, including such famous lakes as Lake Temagami?

Hon. Mr. Kerr: Mr. Speaker, since the company has been under the existing control order the SO₂ emissions have been substantially reduced by Inco. Certainly in the last two or three years the improvement has been substantial. The control order, of course, calls for improvement every year. The final requirement of 750 is a substantial reduction for 1978, for example. There's no question, with the progress they've made and with the technology, that they may have difficulties, but we'll have to deal with that when we come to it.

As the hon. member implies, the market as far as sulphuric acid goes is not our concern. The level of emission is our concern.

AGGREGATE RESOURCES

Mr. Gaunt: Mr. Speaker, I have a question of the Minister of Natural Resources. Does the minister concur with the policy proposals as outlined in the report, A Policy for Mineral Aggregate Resource Management in Ontario, and can the minister give the House some indication as to what his intent will be in respect to this report?

Hon. F. S. Miller: If I have my titles correct, Mr. Speaker, that's the working party

Mr. Good: In due time—in due course.

employment is one of his plans that he would

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report comprised of people from a number of walks of life, naturalists, members of the communities, members of the aggregate industry, members, I believe, of the construction industry and also of the universities.

Mr. Roy: And a couple of Conservatives.

Hon. F. S. Miller: So it was a fairly broad-based committee, as I recall, and I believe it was tabled by the former minister sometime before I assumed the portfolio. We had hoped that there would be responses by sometime in March; I think March 15. A number of groups of people, municipalities and associations, asked that that be postponed until May 15 so they would have time to examine the report fully and to respond.

We have agreed to do so. Therefore, the ministry has neither accepted nor rejected the statements in that report. It will do so only after it's had an opportunity to look at the reactions of the people concerned.

Mr. Caunt: Supplementary: Would it be the intention of the minister to bring in legislation sometime after May 15, presuming, of course, that we get the election out of the way in the meantime?

Hon. F. S. Miller: Mr. Speaker, either way we'd be able to.

Mr. Bullbrook: He's worried.

LAND SPECULATION TAX EXEMPTION

Mr. Makarchuk: I have a question of the Minister of Revenue. This is in reference to the sale of property by Lynden Hill Farms to Lehendorff Investments. Was any tax paid, or is there any tax claim against Lynden Hill Farms under The Land Speculation Tax Act in that particular transfer?

Hon. Mrs. Scrivener: Mr. Speaker, I seem to recollect sending a letter on this very matter to the member.

Mr. Shore: He can't read.

Hon. Mrs. Scrivener: I think I told him at that time that this particular firm was exempt from the tax.

Mr. Makarchuk: Supplementary, Mr. Speaker: The answer the minister gave me stated that the lien clearance was given, and the lien clearance does not imply whether tax was paid or not paid. It just says that the company was exempt from paying tax. My question to the minister is: Did Lynden

Hill Farms pay any tax in that particular transaction?

Hon. Mrs. Scrivener: Mr. Speaker, not that I know of.

Mr. Makarchuk: Final supplementary: In view of the fact that no tax was paid, is the minister prepared to submit this matter to the public accounts committee for investigation?

Hon. Mr. Davis: With no innuendoes, of course.

Hon. Mrs. Scrivener: The question is why?

Mr. Nixon: Supplementary: If the Speaker is going to accept that as an answer, then I'll ask the minister another question. Since this matter was put on the order paper requesting information, will the minister undertake to table the documents that supported the decision of her predecessor to exempt the Lynden Hill Farms property from the payment of the tax?

Hon. Mrs. Scrivener: Mr. Speaker, that question was placed on the order paper and was answered quite fully.

Mr. Nixon: Since then you allowed two—

Mr. Speaker: A final supplementary from the hon. member for Brant-Oxford-Norfolk.

Mr. Nixon: I would like to ask the minister if she will table all of the documents leading up to the decision that her predecessor took in exempting the Lynden Hill Farms.

Hon. Mrs. Scrivener: I will consider it, Mr. Speaker.

ATIKOKAN HYDRO PLANT

Mr. Reid: Mr. Speaker, I have a question for the Minister of Energy in regard to the proposed Hydro plant at Marmion Lake, north of Atikokan. Has the minister received the final submission from Ontario Hydro in regard to the studies it has done in regard to the proposed plant for Atikokan and has the cabinet considered that submission yet?

Hon. Mr. Taylor: No.

Mr. Reid: To both questions?

Hon. Mr. Taylor: To both questions.

Mr. Reid: Can I ask one short supplementary? When is the minister expecting to receive the report and can he give us an indication when a decision might be made, hopefully in the—

Mr. Good: In due time—in due course.

Hon. Mr. Taylor: I really couldn't give a definite answer to that. Hopefully soon, and I appreciate the interest of the member in that particular project. May I say that I share his interest in seeing that generating station proceeded with as expeditiously as possible.

HOUSING PROGRAMME

Mr. Breaugh: I have a question for the Minister of Housing: Given the comments reported in the *Star* yesterday from several major development firms in the Toronto area about his assisted rental programme, essentially saying that it is a nice idea but it is not enough and that even if it were enough and they wanted to do it, it would take at least 30 months to get a project to fruition, is he still sticking with his original projection of an additional 3,000 units within a year in Metro?

Hon. Mr. Rhodes: Yes, Mr. Speaker. I think it was just one particular developer quoted in that article who claimed 30 months. He is one who does most of his developing, as he says in the article, in the core of Toronto. We are looking at development that will take place in areas other than the downtown core. So I don't expect to have unanimous support of that particular programme from all of the developers but I think there are sufficient numbers who will take part.

Mr. Breaugh: Is the minister contemplating any exercising of his powers as Minister of Housing to either move around the normal planning process or expedite the planning process? And would he elaborate on how he intends to do that with these projects?

Hon. Mr. Rhodes: I certainly have no intention of moving around the planning process. I think that the planning process is there and that we can discuss the matter of the need for rental housing, which I think is being accepted more and more by municipalities, and I would rather do it with discussion rather than with the big stick that I think the hon. member might be in favour of using.

SERVICES TO THE HANDICAPPED

Mr. Ruston: Mr. Speaker, I have a question of the Minister of Community and Social Services. Following his recent announcement with regard to treatment at home and so forth, and hiring additional people for em-

ployment, is one of his plans that he would have people to treat quadriplegics or these who were confined to wheelchairs in the home—maybe male nurses coming in a day at a time or a few hours a day, or others who may come in and help these people stay in their homes?

Hon. Mr. Norton: If the reference is to the announcement with regard to the employment of young people in providing service in the homes to the elderly and the disabled, the answer would be "no." It's not intended that programme be geared to providing that kind of highly professional help.

The programme is contemplated to provide assistance to those persons who are living in their own homes at the present time and through the provision of such assistance can continue to remain independent in their private dwellings for a longer period of time. It is expected that the kinds of duties that would be performed by these people might range from housekeeping assistance to assistance in maintaining their residence outside and inside, assistance with such necessary duties as shopping, if the person has difficulty getting out in order to do that, and that type of thing. In terms of employment, it is directed towards the young people who are currently on the unemployment rolls in the province.

[3:00]

The provision of more highly professional services is something which we have under consideration, and I have made some general policy statements about that with regard to directions in which we would like to move. I would point out that, under our general welfare assistance programme at the present time, the option is there for municipalities to hire persons to provide that kind of service, either as homemakers or visiting nurses, and we pay an 80 per cent subsidy in the provision of that service.

Mr. Riddell: You pay 40 per cent.

Hon. Mr. Norton: Unfortunately, there are many municipalities in the province that have not seen fit to take advantage of that already existing programme under the general welfare assistance programme.

Mr. B. Newman: Supplementary: In providing this youth employment, is the minister going to take into account, in arriving at the numbers to be employed in a municipality, either the percentage of the aged in the community or the fact that some municipali-

ties have a fairly high index of unemployment?

Hon. Mr. Norton: We have corresponded with the municipalities across the province already. I would expect they are in receipt of the initial letter. In that, we have indicated an initial allocation of positions based on population, but not at this point taking into consideration the special local factors that the member cites, such as the percentage of elderly in the population. But we have, in reserve, some additional positions. Not all of the complement is taken up at this point.

We have invited responses from municipalities within 15 days to indicate their interest in the programme and how they view their needs. It's at that point that we would be able to take into consideration the special needs of the municipality. We don't for example, have readily available that kind of information with regard to every municipality across the province. We have invited them to respond to us and, where additional people might be merited across the province, we will try to meet those needs within the limits that we are faced with.

Mr. G. I. Miller: May I have a supplementary?

Mr. Speaker: It will be the final supplementary.

Mr. G. I. Miller: Will this programme be available to the private sector, such as the plumbing trade, agriculture trades and industry?

Hon. Mr. Norton: No, this programme is designed primarily to meet the needs of the elderly and the disabled who are in need of assistance in order to be maintained in their homes. I can't speak in detail on this, but I believe there is another programme that will be directed to the provision of some jobs, or the stimulation of employment, in the areas that the hon. member has suggested.

BENEFITS RATES

Ms. Sandeman: I have a question of the Provincial Secretary for Social Development. Could the minister please explain why the recommendations made to her in February by the Advisory Council on the Physically Handicapped about increases in family benefits to the disabled were ignored in the announcement of increases in the family benefits made last week?

Hon. Mrs. Birch: No, Mr. Speaker, I cannot.

Mr. Cassidy: Supplementary?

Mr. Speaker: We'll allow a supplementary.

Mr. Cassidy: If the minister can't explain it now, will she undertake to explain it in the House as soon as possible? It's a very serious omission.

Hon. Mrs. Birch: I'll take that under advisement, Mr. Speaker.

Mr. Speaker: The hon. member for York Centre.

Mr. Stong: Thank you, Mr. Speaker—

Interjection.

Mr. Speaker: I think we'd better get on with it. We've gone back now and we're just about out of time.

An hon. member: The original questioner should be allowed one supplementary.

Interjections.

Mr. Speaker: Order, please. We have about five minutes. We'll allow a final supplementary from the original questioner.

Ms. Sandeman: I just wished to ask the minister whether she had discussed these excellent recommendations with the Minister of Community and Social Services?

Hon. Mrs. Birch: Those recommendations have been circulated to all of the ministries involved and when I have the responses we will be considering it in total.

YORK REGIONAL COUNCIL

Mr. Stong: Last Friday, Mr. Speaker, I asked the Premier a question; he promised an answer for Monday, but I understand his mind has been preoccupied. Perhaps I can direct the question to the Treasurer.

Hon. Mr. Rhodes: Your fate rests in the Premier's hands.

Mr. Stong: Would the Treasurer indicate when he proposes to amend The Regional Municipality of York Act to provide the town of Markham with the extra seat on that regional council which is much needed in that area in terms of the population expansion?

Hon. Mr. McKeough: In the fullness of time, Mr. Speaker.

Hon. Mr. Rhodes: You are over-represented now.

Mr. O'Neil: Better make it before Thursday.

Mr. S. Smith: The old arrogance.

VOLUNTARY FIRE DEPARTMENTS

Mr. Wildman: I have a question for the Solicitor General: Can the Solicitor General tell us if the Fire Marshal's office has resolved the questions regarding legal liability protection and workmen's compensation for voluntary fire departments that have been set up and will receive equipment under the Isolated Communities Assistance Fund? And if so, why was Mr. Huntington of the North Bay office so discouraging to the Aweres township applicants when he met with them to discuss their application recently?

Hon. Mr. MacBeth: Mr. Speaker, I know nothing about that last question. If the member can enlarge upon it, I will try to get some further information. But I think any of these community groups or whoever may be looking after volunteer fire departments can, as I understand it, obtain workmen's compensation if they wish to pay the premium and apply for it.

If he wants further information on that last question, I will try to get it for the hon. member.

Mr. Wildman: Supplementary: I understand that if they are trained by the Fire Marshal's office they can get workmen's compensation. But what about the question of legal liability if there is injury or whatever resulting from travelling to a fire or during the process of fighting a fire?

Hon. Mr. MacBeth: Mr. Speaker, I am sorry, I don't grasp the impact of that question. Is the member concerned with liability to some person that may be struck on the highway as they are rushing—

Mr. Wildman: Yes.

Hon. Mr. MacBeth: Well, I suppose that's the regular law of the land, as far as the court is concerned. If a fire reel or any other piece of emergency equipment strikes somebody in going to a fire or going to an emergency call, they are subject to the same law of the land as any of the rest of us are.

SALES TAX ON INSULATION MATERIALS

Mr. Haggerty: I would like to direct a question to the Minister of Revenue: Will the

minister reconsider the government's budget policy on energy conservation and extend sales tax exemption to include storm windows and doors? The federal sales tax exemption includes storm windows and doors as insulating materials.

Hon. Mrs. Scrivener: I am aware of that, Mr. Speaker, but we will not consider it at this time.

HYDRO BLACKOUTS

Mr. Foulds: I ask a question of the Minister of Energy with some reluctance: Could the minister indicate whether the statements made by the public relations officer of Ontario Hydro in early March about the possibility of rotating blackouts in northwestern Ontario is still the view of Ontario Hydro and his ministry? And what steps is his ministry taking to overcome those blackouts of power because of the low water levels in the region?

Hon. Mr. Taylor: I have to check the source of that particular statement by Ontario Hydro, but I can assure the member that I think that we can feel confident in this province that we won't suffer blackouts in any part of Ontario.

Mr. Conway: Not even on June 9.

Mr. Foulds: Supplementary: Could he get a more definitive answer for me, taking into account that the tie lines between Manitoba and northwestern Ontario and eastern Ontario and northwestern Ontario now are operating at full capacity and there is no further generating capacity within the northwest?

Hon. Mr. Rhodes: You know why.

CANADIAN HISTORY

Mr. Sweeney: A question for the Minister of Education: Given the disagreements that we have had in this House about the quality of the teaching of Canadian history in the secondary schools, how does the minister intend to respond to John Palmer, the head of the history department of Orillia Secondary School, Roger Graham, a history professor at Queen's University, and Eugene Forsey of the Canadian Senate, who have all declared in writing to him that the new guidelines for Canadian history for grades nine and 10 are totally inadequate as history, and are in fact no more than sociology?

Hon. B. Stephenson: The socialists will be happy to hear that. That's a putdown.

Hon. Mr. Wells: First of all, I haven't seen that letter; I would like to see the letter and the substance of it. I recall a few weeks ago that the leader of the Liberal Party talked in this House about some statements made by Ian Macdonald concerning the teaching of history, which I later learned were never made by Ian Macdonald.

I would be very happy to look at the letters that the member has. I would also be happy to table for him the names of the practising history teachers in this province who wrote that document. I guess it's quite possible that historians and history teachers will differ over what should be taught in the schools; but the intermediate history document that the member is talking about was written by a writing team made up of practising history teachers in this province and people from the Ministry of Education, all experts in the teaching of history, and people who should be able to be relied upon to develop a guideline for history in this province.

I say that, but I also say that I would like to see the detailed letters, because the leader of the Liberal Party indicated that Ian Macdonald made some statements some while ago, which Mr. Macdonald never made.

Mr. Conway: None of your innuendoes.

Mr. Nixon: Did they really forget to mention both world wars?

Mr. Breithaupt: Whatever happened to the two world wars?

Interjections.

Mr. Lewis: It's a personal attack on Eugene Forsey. He's speaking at the Empire Club on Thursday.

Interjections.

Mr. Speaker: Order, please. The question period has expired.

POINT OF ORDER

Mr. Makarchuk: I wish to advise you, Mr. Speaker, under standing order 27 that I am dissatisfied with the answer I have received to my question to the Minister of Revenue, and intend to debate it at the adjournment of the House this evening.

PETITIONS

Mr. Speaker: Yesterday three petitions were tabled by Mr. Moffatt, Mr. Breaugh and Mr.

Godfrey. I stated that I would examine them and report to the House today as to whether or not these petitions are in order.

I direct the attention of the House to standing order 84, which reads as follows: "No petition can be received which prays for any expenditure, grant or charge on the public revenue, whether payable out of the consolidated revenue fund or out of moneys to be provided by the House."

I must then direct the attention of the House to the last sentence of paragraph one of the three petitions, which reads as follows: "As an immediate solution, we require that increased funding from the province be made available in the amount requested by the region in December, 1975 of the Treasurer of Ontario."

The House will see that these petitions are in direct contravention of standing order 84 and, therefore, cannot be received. I am directing the petitions be returned to the members.

Perhaps I might suggest, however, that the petitioners might make their representation to the Treasurer in some other way.

Any further petitions?

POINTS OF ORDER

Mr. Breaugh: Respecting your ruling, I don't read anywhere that it's asking anybody to give money. It simply makes a statement of fact, that we require—

Mr. Speaker: Order, please. The hon. member is debating. I think if he reads what I said and refers to standing order 84, he'll understand the answer very clearly because it is a very clear statement of the rule. As I say, I don't want to debate the issue because it's not my position to debate it. But it said that—we require that increased funding be provided by the province—in so many words.

Mr. Bullbrook: This is a point of order, I want you to know that at the beginning.

Mr. Singer: One of the very few.

Mr. Bullbrook: Yesterday you permitted, Mr. Speaker, the hon. member for Ottawa Centre—

Hon. Mr. Rhodes: To wear a suit.

Mr. Bullbrook: —seconded by the Leader of the Opposition to move before you in this House a motion that reads—"this House condemns the misrepresentation by the Treas-

urer of the government's fiscal situation and Ontario's economic prospects."

[3:15]

I took issue with that yesterday and I take issue with it today. That is entirely out of order. That assertion condemning a misrepresentation by another member of this House is entirely out of order. It's against our standing orders. It should be expurgated from that motion.

If you are going to permit that type of thing, it will just expand and we will lose all sense of the orders of this House. I ask for a ruling from you. I believe under the rules of order and under May's interpretation you can expurgate that particular section.

We might wish to conclude in our own mind that there was a misinterpretation by the Treasurer of Ontario of the budgetary and economic situation in Ontario—

Mr. Cassidy: There certainly was.

Mr. Bullbrook: —but we cannot, *viva voce* or by motion, accuse him of misrepresentation.

Hon. Mr. Welch: I appreciate the fact that the member for Sarnia has raised this matter, but it had been my intention at some time during the afternoon also to raise this question.

I understand there may have been a note of irony in the voice and the face of the leader of the official opposition when he said, just as the amendment was being seconded in his name, that the terms of the amendment were, to quote him, "soft and gentle terms, compared to what we would have wished." However, I am sure all members of the House would agree the amendment to the main budget motion is by tradition a very serious matter, as the member for Sarnia has pointed out, and we on this side would wish to view this just in that way.

So I would ask, Mr. Speaker, that you would advise the House as soon as you could as to whether it is accepted parliamentary language to say that the Treasurer of this province has misrepresented the government's fiscal situation and Ontario's economic prospects.

Mr. Cassidy: That's what happened.

Hon. Mr. Welch: It is my view that it is not, and quite apart from the arguments made in his text by the member, that this is quite unparliamentary language.

Mr. Renwick: If I may speak to the point of order, Mr. Speaker, I would certainly defer to you if you were to decide this was not a point of order and bring this matter to an immediate conclusion. If you were to decide it is a point of order, I would like to have an opportunity to speak to it. Could I therefore ask, in the interest of expediting the business of the House, that you make the initial decision as to whether or not the member for Sarnia had a point of order?

Mr. Bullbrook: It's one of the few points of order that have ever been made that is a point of order.

Mr. Speaker: I will make that ruling right now, because I was concerned. When I was handed the motion yesterday, I am afraid I didn't get the full impact or import of the motion. I was certainly concerned about the expression when that amendment was used yesterday, and I discussed it—

Mr. Renwick: Mr. Speaker, on a point of order—

Mr. Singer: You invited him to go, and now he's gone further than you wanted.

Mr. Renwick: I want you to understand that I would like to have the opportunity of speaking to the point of order, before you make a ruling on the matter before you. That is, if you are about to decide that there was a point of order, I would ask that I be given an opportunity to speak to it.

Mr. Singer: Why did you interrupt the Speaker? You know the Speaker has precedence even over you.

Mr. MacDonald: Is it a point of order?

Mr. Speaker: I was going to rule that it was a legitimate point of order.

Mr. Breithaupt: There is no question about that.

Mr. Renwick: Thank you, Mr. Speaker, I had the opportunity of being in the House all afternoon yesterday when my colleague, the member for Ottawa Centre, was speaking on the budget for this party. When he moved the amendment, which is permitted—and I agree with the member for Sarnia and the House leader for the government that it is a serious matter, because it is the amendment of this party to the motion by the Treasurer for the adoption of his budget—I listened carefully, and I had had, of course, an opportunity of considering the wording of the amendment before it was put in this House.

I want to say to you, Mr. Speaker, that when a member stands on an important matter of a point of order, and there are rules of the House which refer to that matter, it is important that we deal with the rules. I draw the attention of the House to rule 39, which states, "Whenever the Speaker is of the opinion that a motion offered to the House is contrary to the rules and privileges of Parliament, he shall apprise the House thereof immediately, before putting the question thereon, and may quote the rule or authority applicable to the case."

Mr. Breithaupt: Would you like him to wait until December?

Mr. Renwick: Some members may note a certain ambiguity in the rule of the assembly which would indicate that there is some conflict about the point in time when the Speaker is to apprise the House of whether the motion is or is not in order for the reasons given.

I would suggest to you, Mr. Speaker, in considering your ruling, that the operative part of those words is as follows: "Whenever the Speaker is of the opinion that a motion offered to the House is contrary to the rules and privileges of Parliament, he shall apprise the House thereof immediately...". I would suggest to you, Mr. Speaker, that whatever your personal opinion may be of the matter, the rules of the House require that you should have apprised the House immediately the amendment was offered to you and at the time when you, sir, repeated it in this House yesterday afternoon.

But be that as it may, and in the interest of clarifying the substance of what we are speaking about, when my colleague, the member for Sarnia, came to us yesterday to note that the motion might have been out of order, for a moment I noted in my own mind that perhaps it was because his colleagues in the Liberal Party wanted to find some reason for voting against the motion.

Mr. Bullbrook: That's out of order. That's imputation.

Mr. Renwick: But I knew, Mr. Speaker—

Mr. S. Smith: Oh, come on.

Mr. Bullbrook: On a point of order now, Mr. Speaker. You cannot—

Mr. Speaker: Order, please.

Mr. Renwick: But I knew, Mr. Speaker, I couldn't—

Mr. Bullbrook: On a point of order, you cannot impute motives.

Interjections.

Mr. Speaker: Order, please. Order.

Mr. S. Smith: You cannot impute motives.

Mr. Renwick: But, Mr. Speaker—

Mr. Speaker: I'm sorry, I did not—

Mr. Bullbrook: All right. May I say this to you—

Interjections.

Mr. Speaker: Order, please. Could we have order in the House?

Mr. Renwick: But, Mr. Speaker, so I can clarify that—

Mr. Bullbrook: On a point of order—

Mr. Speaker: The hon. member's objection is what?

Mr. Bullbrook: That he imputed motives to me. We happen to abide by—

An hon. member: He can't interrupt a speaker—

Interjections.

Mr. Speaker: Order, please. I think we should hear this member; then, if there's further to say about it, I'll hear you and then I will deliver my ruling.

Mr. Bullbrook: I take strong issue—

Mr. Speaker: Thank you very much.

Mr. Bullbrook: My point of order is—

Mr. Speaker: I would like to hear what the hon. member had said, please; and I did not hear that, I must say.

Mr. Bullbrook: He'll repeat that for you.

Mr. Renwick: Mr. Speaker, perhaps I can't recall the exact words, but—

Interjections.

Mr. Speaker: Will the hon. member try to stay in order then himself, whatever it is?

Mr. Renwick: —when my colleague, the member for Sarnia, raised this matter, it went through my mind like a flash—

Hon. Mr. Davis: That doesn't surprise me.

Mr. Breithaupt: It went in one door and right out the other.

Mr. Renwick: —that perhaps the reason he was raising it was so that the Liberal Party would not have to support the motion made.

Mr. Bullbrook: That's not in order.

Mr. Renwick: But I knew, Mr. Speaker—
Interjections.

Mr. Speaker: Order, please. I think that is not a legitimate suggestion or imputation of motive to make.

Mr. S. Smith: An imputation of motive.

Mr. Renwick: I knew I shouldn't do that, because that would be contrary to the rules of the House—

Mr. Lewis: That's right. Exactly.

Mr. Sweeney: When did you take up mind-reading?

Mr. S. Smith: Which you did, and Hansard will record it.

Interjection.

Mr. Renwick: My colleague, Mr. Speaker, directing my remarks to—

Mr. S. Smith: I wonder if you are doing this to avoid hearing the member for London Centre (Mr. Peterson).

Mr. Lewis: He's got five hours.

Mr. Renwick: Mr. Speaker, I would be delighted to hear the hon. member's colleague all evening as well as this afternoon.

Mr. Breithaupt: We can arrange that.

Mr. Renwick: Mr. Speaker, the member for Sarnia has asked that you rule that the phrase in the motion addressed to this House on behalf of this party by the member for Ottawa Centre, which reads as follows, "condemns the misrepresentation by the Treasurer of the government's fiscal situation and Ontario's economic prospects," should be expunged from the motion. He quoted, of course, a voluminous reference of authority, namely May's Parliamentary Procedure, but without any reference to any page or rule or any other citation in that book.

Mr. Bullbrook: Of what consequence is that?

Mr. Renwick: If I may, Mr. Speaker, I want to draw to your attention the refinements of the English language contained in the phrase which my colleague, the member for Ottawa Centre, used. You will note, and I think it must be, the words "condemn" and "misrepresentation" that caused all the difficulty. So I went to the dictionary and I

found that the word "misrepresentation" is a composite word.

Interjection.

Mr. Renwick: First of all, you have to look up the meaning of the word presentation, then the meaning of representation and then the meaning of the word misrepresentation.

Mr. Breithaupt: Both Miss and Ms.

Mr. Renwick: I did that, and the authoritative dictionary meaning of the term "presentation" is a statement. As was quoted in the July issue of Hibbert's Journal in 1907, at page 927—

Mr. Bullbrook: You are permitting a charade here.

Mr. Renwick: —as illustration of the meaning of the word "presentation"—and I quote: "His presentations of the orthodox case—"

Interjection.

Mr. Renwick: I quote again. I would like the Treasurer to hear this.

Mr. Lewis: You just cut yourself off.

Mr. Renwick: "His presentations of the orthodox case are sometimes the merest travesties of what educated opponents really hold." That is the meaning of presentation, Mr. Speaker. The meaning of representation is a renewed presentation. The meaning of misrepresentation is a wrong or incorrect representation.

Mr. Lewis: Now, what's wrong with that?

Mr. Renwick: Therefore, there can be nothing wrong with the term misrepresentation in any sense of that word in the English language.

And then I turned to the word "condemn". I find that the first meaning is "to express strong disapproval of." My colleague, the member for Ottawa Centre, on behalf of this party, expressed strong disapproval of.

Mr. S. Smith: It sounds like an elementary school debate.

Hon. Mr. Davis: But those of us who don't have your intellect know exactly what you meant.

Mr. Lewis: You made a mistake on some other words.

Mr. Speaker: Order, please. The hon. member for Riverdale has the floor.

Mr. Renwick: If I could refer to the 1601 folio of Shakespeare's Twelfth Night, in Act III, scene four at folio 149, you find the quotation—

Hon. Mr. Davis: Michael, you are squirming a little.

Mr. Renwick: I quote—

Mr. S. Smith: This is a filibuster.

Mr. Conway: Save us from this.

Mr. Renwick: As Shakespeare in Twelfth Night said:—

Mr. Breithaupt: Full of sound and fury and signifying nothing.

Mr. Renwick: "I could condemn it as an improbable fiction." I wanted the House to understand the sequence of events. You will recall that—

Mr. Breithaupt: Now you have done it.

Mr. Renwick: —scene four took place in Olivia's garden. Perhaps for those who haven't quite recalled it, Olivia was a rich countess. Fabian was a servant to Olivia. Malvolio was steward to Olivia. Sir Toby Belch was the uncle of Olivia, and Maria was Olivia's waiting woman. And in the garden that evening—

Interjections.

Mr. Speaker: Order, please.

Mr. Bullbrook: Do you realize what you are doing?

Mr. Breithaupt: I think he doth protest too much, milord.

Mr. Speaker: I think so too.

Interjections.

Mr. Speaker: Order, please. I think we're carrying this too far.

Mr. Lewis: I think the hon. member for Ottawa Centre should be congratulated on the use of the word.

Interjections.

Mr. Speaker: Order, please. I think I should deliver my ruling at this time.

Mr. Bullbrook: There is a point of order. It is either in order or it is out of order.

Mr. Speaker: Order, please. I think this is being carried—

Mr. Renwick: I beg the opportunity to complete my remarks briefly.

Mr. Speaker: Order, please. I think we are carrying a little too far afield this afternoon. We have allowed quite a bit of leeway—

Interjections.

Mr. Renwick: Mr. Speaker, may I put in context the quotation that I quoted?

Mr. Speaker: May I ask the hon. member—

Interjection.

Mr. Germa: The whole point of order is frivolous.

Mr. Speaker: Order, please. I would like the hon. member to conclude his remarks in about a sentence or two. I'll allow that. But we don't want a further long dissertation. Now, please, order.

[3:30]

An hon. member: The whole point has not been out of order.

An hon. member: It shouldn't have been allowed.

Mr. Renwick: I will speak relatively quickly. "Maria—"

Interjections.

Mr. Speaker: No I mean very, very briefly. I think we've allowed the hon. member a great leeway and we want to get on with the business of the House and deal with this matter. If he's not satisfied with my ruling he knows what he can do about it.

Mr. Breithaupt: He can sit down.

Interjections.

Mr. Renwick: "Maria: 'Get him to say his prayers, good Sir Toby; get him to pray.'"

"Malvolio: 'My prayers, minx!'"

"Maria: 'No, I warrant you he will not hear of godliness.'"

"Malvolio: 'Go hang yourselves all! You are idle shallow things; I am not of your element; you shall know more hereafter.'"

And he leaves.

"Sir Toby: 'Is it possible?'"

"Fabian: 'If this were play'd upon a stage now, I could condemn it as an improbable fiction.'"

Mr. Riddell: You people are prepared to face an election with that kind of claptrap?

Mr. Renwick: My submission, Mr. Speaker, is that what my colleague was saying is that he expressed strong disapproval of the Treasurer's budget because it was an improbable fiction.

Interjections.

Mr. Speaker: I have not completed my ruling at this point, I would like to do so.

Mr. MacDonald: Do you mind if I have a brief comment before you make your ruling?

Mr. Speaker: Order, please. Very, very brief; yes.

Mr. MacDonald: Mr. Speaker, the rules of this House are very clear. If yesterday's motion was out of order it should have been ruled out of order by you immediately.

Mr. Breithaupt: Not necessarily so.

Mr. MacDonald: I'm sure you are mindful of the fact that if you rule it out of order now, you are breaching the rules of the House.

Mr. Speaker: Order, please.

Mr. Lewis: The Treasurer did not disagree with a word in the amendment, not a word. He sat and accepted it.

Hon. Mr. McKeough: Mr. Speaker, may I—

Mr. Speaker: All right, very briefly.

Hon. Mr. McKeough: Mr. Speaker, I want to make it very clear to this House that no word spoken or tabled yesterday by the member from Ottawa lost me one little bit of sleep.

Interjections.

Mr. MacDonald: That is personal privilege.

Mr. Speaker: Order, please. I've allowed this to go on. I think I should make my ruling. If there's a question on it, it can be handled later.

I'm quite familiar and quite aware of rule number—I think it's 39—which uses the word "immediately"; it says also, "of the opinion."

Now when the amendment was placed yesterday I didn't have that opinion at the time, although it did cause me some concern. In other words, I hadn't made up my mind at that particular time. So the words "immediately" and "of the opinion" must be taken into account.

I've discussed this since that time with the other presiding officers in this House and

together we have concluded that that use of the word, "misrepresentation" I believe it was, to accuse another member of deliberate misrepresentation or of deliberately misleading the House or of telling a deliberate falsehood, is clearly out of order. If the hon. member will refer to those particular words, any of these precedents would appear to apply in this instance.

I would accept a motion from the member to amend his motion by substituting another word for "misrepresentation", such as if I might be—

Mr. Lewis: We will give you one, we will find one.

Mr. Grossman: Don't help him.

Mr. Speaker: Order, please. If he might substitute the word "misinterpretation" for the word "misrepresentation," I think that word might serve his purpose and be within the rules of this House. Will the hon. member so do?

Mr. MacDonald: Take time to consider it.

Mr. Speaker: The word "misinterpretation" instead of "misrepresentation", because this matter of opinion could be debated all day. Will the hon. member please substitute that word, or withdraw it completely as the case may be?

Mr. Cassidy: Mr. Speaker, I think that it is clear that the House understands exactly what I was saying when I made my speech yesterday. I think it is also interesting that there was no objection raised from the government benches about the words that I used at that time, either during the speech when the word was used on a number of occasions, or during the motion.

Mr. Breithaupt: Are you going to withdraw or not?

Mr. Cassidy: However, in view of your ruling and in view of the fact that the House is clear about the meaning of the speech yesterday, I would accept your suggestion.

Mr. Cassidy moved that the word "misrepresentation" be stricken from his motion and the word "misinterpretation" substituted therefor.

Motion agreed to.

Mr. Lewis: Mr. Speaker, as the person who seconded the motion of my colleague from Ottawa Centre yesterday, I'm happy to have that substitution. But, as in the case of another word in this Legislature which caused

some anxiety, I think it's worth occasionally, if I may say, looking at the dictionary definitions. What my colleague, the hon. member for Riverdale, put to you about the wrong or incorrect representation of facts is not something that should be seen to be a violation of the rules of the House, although we bowed to your ruling, sir, and substituted the word.

Mr. Speaker: Thank you. May I say I did check the dictionary. We had to put an interpretation on the English language, which isn't as precise sometimes as we would like it.

Mr. Lewis: Precisely.

Mr. Speaker: But that was the consensus of opinion. I want to thank the hon. member for agreeing to the suggestion, and it will be so changed on the records.

Mr. Lewis: Shakespeare says that defile can mean to impugn the reputation of, not violate physically.

Mr. Speaker: Order, please. A further point of order.

Mr. Lewis: That's right.

Ms. Gigantes: Mr. Speaker, I have been dissatisfied with the answer of the Treasurer of Ontario concerning my question asked today—it was a repetition of a question asked last week. I would, therefore, like to give notice under standing order 27 that I would like to debate this matter this evening after the adjournment of the House.

Mr. Speaker: The rule requires that this objection be made note of immediately at the end of the question period. We got into the next order.

An hon. member: This is immediately.

An hon. member: Twenty-four hours is immediately.

Interjections.

Mr. Speaker: I may not have given the hon. member the chance to rise. I did accept one but I could be generous in this case in case I did not give the hon. member time. As I recall it, I hastily went into the next order and probably was unfair to the hon. member. I will accept it because it's so close to that, and it's the first time we've had the opportunity.

Presenting reports.

Motions.

INTRODUCTION OF BILLS

BOROUGH OF SCARBOROUGH ACT

Mr. Drea moved first reading of Bill Pr8, An Act respecting the Borough of Scarborough.

Motion agreed to.

Mr. Speaker: I understand this is a private bill.

Mr. Drea: Yes, Mr. Speaker, I wanted to discuss it.

Mr. Speaker: There's no explanatory statement necessary or allowed on a private bill.

Mr. Drea: I wanted to make a request of the chairman, Mr. Speaker, not a statement. The bill is of some urgency. It has been held up on technical language for some time. There is the opportunity on Thursday in the administration of justice committee to discuss it. I would hope that it could be brought forward to that committee by the Speaker's panel.

Mr. Roy: That is out of order.

Mr. Speaker: I will have to study that request, just to see whether it's possible to do that, and report.

BOROUGH OF NORTH YORK ACT

Mr. Williams moved first reading of Bill Pr21, An Act respecting the Borough of North York.

Motion agreed to.

ENVIRONMENTAL ASSESSMENT AMENDMENT ACT

Hon. Mr. Kerr moved first reading of Bill 59, An Act to amend The Environmental Assessment Act, 1975.

Motion agreed to.

CASCRAIN TOWNSHIP LANDS ACT

Mr. Lane moved first reading of Bill Pr25, An Act respecting Certain Lands in the Township of Casgrain.

Motion agreed to.

PENSION BENEFITS AMENDMENT ACT

Mr. di Santo moved first reading of Bill 60, An Act to amend The Pension Benefits Act, 1976.

Motion agreed to.

Mr. di Santo: The purpose of the bill is to permit employees to accumulate pension benefits while employed, due to disablement.

POINT OF ORDER

Mr. Lewis: A point of order, following directly from something that was asked at the beginning of the orders of the day by the member for Rainy River. There was no accompanying compendium of material tabled by the Minister of the Environment as he undertook to do earlier this afternoon in his amendments to The Environmental Assessment Act. He sent over the amendments with their explanation plus a copy of the Act and only the statement he gave in the House; no background documents at all. Although in this subject, above all other subjects, there are endless numbers of background papers to which the House should be privy.

Mr. Speaker: A bulky amount of material came up when he presented his bill; I believe that's what that was.

Mr. Foulds: All it contains is a copy of the original Act, the material itself and the minister's statement.

Mr. Lewis: On a point of order: I repeat, all you have here is the bill and the copy of the statement to the Legislature. This does not constitute background information, it is in violation of the rules in the absence of background information and it contradicts what the minister told the House quite explicitly earlier this afternoon. Since the Speaker is so anxious to give formal interpretation of the rules, and I encourage him in that, would you please take this into control, Mr. Speaker, because it is unacceptable.

Mr. Speaker: Yes, well, of course I couldn't possibly be aware of what was in the material but I'll certainly bring that to the attention of the minister in his deficiency—

Mr. Lewis: The member for Rainy River asked him and got an undertaking—

Mr. Reid: I asked him explicitly.

Mr. Speaker: Well, I cannot bring it to the attention of the hon. minister right now because he's not present but I'll do that immediately. I promise it.

WORKMEN'S COMPENSATION AMENDMENT ACT

Mr. di Santo moved first reading of Bill 61, An Act to amend The Workmen's Compensation Act.

Motion agreed to.

[3:45]

Mr. di Santo: The bill requires that employers with 20 or more employees hire injured workers with permanent partial disabilities.

ORDERS OF THE DAY

BUDGET DEBATE

(continued)

Resumption of the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Peterson: I must say I'm very grateful to rise on behalf of my party to participate in this debate. At the outset, I would just like to say how very grateful I am to many, many people for assisting me in this undertaking. I must say it's a massive undertaking. The books of this province are complicated and sophisticated. It takes a lot of assistance and a lot of help and I've had that from a lot of people outside of this Legislature who have been good enough to contribute their views and to assist us in the formulation of our policy.

In addition, I want to thank the really first-rate research department that we have in this party today.

Hon. Mr. Handleman: When did they start? Yesterday?

Mr. Peterson: You just watch. You'll be devastated when you hear it. I want to particularly mention, if I may, two people, Mrs. Daphne Rutherford and Miss Jane Shapiro, who worked very hard on this and were a great help to me.

In fairness too, I want to thank the Treasurer because in my experience with the Treasurer and his department they have always been fair and honourable to me and to my staff in the presentation of their num-

bers. in assisting. God knows, we have lots of disagreements over the interpretation of those numbers, but never once have we asked and been denied. Never once have we, in my judgement at least, had things interpreted only in his light. I appreciate that kind of fairness.

Before I start, I will say—and it's probably the last nice thing I'm going to say about him today, so I should just say it—it's a measure of the Treasurer's confidence that he's willing to share these kinds of things and some kind of indication of his command of his portfolio. That's not to say he's right by any stretch of the imagination in a lot of the judgements he makes.

Mr. Conway: Maybe he is going for Joe Clark's job.

Mr. Peterson: At least he's got a little bigger chin than Joe Clark. He might be able to make it. But I do appreciate that. I must say that I wore a used suit today, Mr. Speaker. It's interesting that the member for Ottawa Centre had to take his suit back today. I think that's some sort of indication.

Mr. Moffatt: Who owns the suit?

Mr. Peterson: I want you to know that I own this suit. I do not rent this suit.

Mr. Ruston: He's had it for 10 years.

Mr. Peterson: Granted it's old and granted it's not very attractive, but it is mine. We value private property in this party and we don't think that you necessarily should have to rent everything. I want you to know that, Mr. Speaker.

Mr. Moffatt: Who owns the cloth?

Mr. Bullbrook: Would you put everything else on a blind person except that suit?

Mr. Peterson: It's my intention in the next little while to share with the Legislature and the people of Ontario our party's assessment of the financial state of the province at this time, our prospects for the future and our assessment of the prospects of this province for the future. We shall do this in the context of what are, in our judgement, some very serious fiscal and management errors in the past.

That's not to imply that this government alone is responsible for all of our problems, because that isn't the case. Nor is it the only government in the free world to have been seduced by the temptation to spend far beyond its ability to create the financial

resources or trapped into unwise financial and management decisions. But the inescapable fact remains that the mistakes of others do not justify the mistakes of this government. They do not justify the failure to react or the failure to look ahead to protect the people of this province.

Clearly it is this government's past failures which have so severely limited the options available to us today. This province's capacity to pay and to borrow have been so over-extended that now when we so desperately need massive stimulation to reduce the staggering unemployment rate in this province there simply is no room to manoeuvre. The government has created this situation and the government alone must shoulder that blame.

May I remind you, Mr. Speaker, the Liberal Party in Ontario has always believed in and supported the concept of fiscal responsibility and we always will. I am proud that in a large measure we had an influence as a party in bringing this to the attention of the people of this province. We don't think the job of repair has been satisfactory enough; but we are responsible for that and I say that with some pride, Mr. Speaker.

It is our opinion that even within the confines of the present situation, the Treasurer could have done a better job with following a policy of fiscal responsibility, and at the same time relieving many of the hardships of the people of this province and also securing some kind of worthwhile future. I intend to set forth, in as clear and rational a manner as I possibly can, our carefully considered policy options, as well as analysis of past and present mistakes on the part of the government. Let me assure you, Mr. Speaker, that I will be very cool and rational and I will not be excited when I do this.

It's obvious that when I do, when I point out to the Treasurer that he's wrong, he gets very excited and he starts to yell almost involuntarily. We don't want him to have a stroke or break a blood vessel, because there are enough dead people in the cabinet already. We are prepared to keep him alive for just a little while longer.

Mr. Breaugh: Marvin might get apoplexy.

Mr. Peterson: Where is Marvin? Has he died already?

Mr. Conway: Marvin's gone after the Social Credit nomination.

Mr. Breaugh: He's chairman of the committee.

Mr. Riddell: Where are the Tories? It is interesting to note there are four of them over there.

Mr. Peterson: Don't worry; we are going to mail them all copies of this.

Mr. Conway: We have the only one that's important.

Mr. Deputy Speaker: Can we have some order please? The hon. member for London Centre has the floor, and I hope he will ignore the interjections.

Mr. Peterson: Thank you, Mr. Speaker. My party is becoming very unruly they are so excited about all of this.

Mr. Breaugh: Takes all the credit, doesn't he?

Mr. Peterson: Mr. Speaker, this government's recent policies have brought the province to a position where it is lagging behind the nation as a whole in virtually every leading economic indicator. Ontario's economy is suffering from the highest unemployment in decades; 312,000 people unemployed in March, a real rate of 7.9 per cent. We are suffering from continuing high inflation and under-utilization of our manufacturing industries. There is stagnation in our mining industry and widespread lack of confidence among consumers and businessmen alike.

The figures for 1976 produced in the recent budget provide a clear indication of the extent to which our economy is under-performing. Due to unemployment and under-employment, personal income tax revenues are \$172 million below budget. As a result of lack of consumer confidence, retail sales tax revenues are \$107 million below budget. The crisis in our mines is reflected in mining profits taxes which yielded only 42 per cent of their budget.

Weak markets, high costs and general uncertainty which have plagued businessmen, have resulted in a shortfall of \$95 million in corporate income tax revenue to the province. Our budgetary deficit is now running \$302 million over budget. Also over budget are: Net cash requirements, by \$158 million; net debt, by \$212 million; net non-public borrowing, including Canada Pension Plan, OMERS and teachers' superannuation plan, by \$72 million.

This government has not, it is clear, been capable of living up to its own restraint measures. Our economy is in serious trouble and there are no signs of improvement.

Businessmen still lack confidence in our economic prospects. The Bank of Montreal

questioned 1,212 Ontario businessmen recently. Forty-six per cent plan less capital spending this year than in 1976 and we have been behind consistently for the past five years. Eighty-one per cent expect their business will not improve in 1977 compared with poor performance in 1976. Consumer confidence remains low.

Now Mr. Speaker, a prudent government, a government which had cut back on deficits during times of prosperity, would not now be so limited in its ability to overcome an economic slowdown. A good Treasurer must be a little bit like a squirrel, Mr. Speaker. He has got to store up in the good times for the bad times. I must say that my analogy with the squirrel and this particular Treasurer only goes as far as a similarity in looks—I mean only when he chuckles, not all of the time.

This budget is at best a stand-pat budget. It is an attempt to repair the damage of the past. It is a backward looking, traditional budget, very much lacking in imagination, which demonstrates all too clearly that this government has made no adjustment in priorities and has no awareness of the changes that have taken place in our economy.

The day before the new budget was brought down, newspaper photographs showed the Treasurer with his feet up in the air, flaunting his 1977 budget and smiling from ear to ear. His sense of humour is somewhat peculiar because I can tell the House that this budget brings little cheer to many of the hard-pressed citizens of this province, especially to the thousands and hundreds of thousands that are unemployed.

By and large, it's a big guy's budget. It's disappointing to those in need of assistance, to those who are desperately seeking jobs—particularly a whole generation now coming into the work force—and to the ordinary people who are trying, against enormous odds, to withstand economic forces that are out of control. It is also a disappointment to those of us who are concerned about the future. It provides no leadership in vital matters of energy, environment or industrial strategy.

Before I embark on a detailed discussion of this budget, I want to review briefly this government's past economic performance, because this budget is part of a pattern.

In 1971, the year of the first Davis-McKeough budget, the Treasurer announced his intention to "maintain firm control over public spending." He was clearly less than successful in carrying out this intention because provincial government expenditures increased by some 15.5 per cent that year—almost \$1 billion. The deficit reached a record

\$1.018 billion that year—an election year. Final spending figures were more than \$1 billion higher than budgetary estimates.

The Treasurer promised us rigorous restraint on spending in 1972. What he delivered was an expenditure increase of almost \$450 million—about 7.5 per cent. That was the year that government spending increased 50 per cent more than the cost of living, the year government spending was more than \$1 billion higher than original estimates.

The House will recall that the former member for London South, Mr. White, was Treasurer for the following two provincial budgets. He faithfully maintained the tradition of huge deficits and uncontrolled government spending.

Mr. Nixon: If we only had Charlie MacNaughton back.

Mr. Peterson: In 1973 the stated objective was to exercise maximum restraint in provincial spending. How was this interpreted in practical terms? By calling for a spending increase of \$750 million, up 11.7 per cent from the previous year. When all the figures were in, spending had increased by some \$811 million, \$51 million more than the Treasurer had estimated. Spending was up 12.7 per cent in a year when inflation in Ontario was advancing at 7.6 per cent.

Presenting the 1974 budget, the Treasurer informed the people of Ontario, as if they didn't already know, that the most important problem facing us today is inflation. Is it starting to sound familiar? Spending in the public sector must be controlled, he said, and promptly called for an increase in government spending of 14.9 per cent, while at the same time predicting that the inflation rate for the general economy would be 7.7 per cent by the end of that fiscal year.

It was obvious that the government had yet again underestimated its spending requirements for the fourth consecutive year, because the predicted increase of 14.2 per cent had jumped to 20.8 per cent. The budget was overspent by approximately \$385 million.

Apparently deficit financing had become almost a matter of government policy. In the 1970-71 financial year, Ontario's budgetary and non-budgetary deficit was \$566 million. The following year, an election year, it was more than \$1 billion. In 1972-73 it was \$744 million. In 1973-74 it was \$708 million.

When the provincial budget was brought down for the fiscal year 1975-76, we learned

the government was going into debt by \$1.7 billion, with government expenditures increasing by 16.8 per cent—\$1.5 billion. A mini-budget was subsequently produced and updated to December 1975, by which time the increase in government spending had jumped from 16.8 per cent to 21.2 per cent.

An hon. member: A political whitewash.

Mr. Peterson: Budgetary and non-budgetary deficit figures updated to December 1975 were almost \$2 billion.

Mr. S. Smith: The year of the big giveaway.

Mr. Peterson: In 1976, after five years of preaching restraint and the need for control over the economy, budgetary and non-budgetary expenditures finally came in \$11 million below the original budget estimate. However, revenues were overestimated by \$169 million, so that net cash requirements for 1976 increased by \$158 million to almost \$1.4 billion. Government spending is up by almost 12 per cent. The budget has been overspent by \$55 million and the budgetary deficit is \$302 million over what was estimated.

[4:00]

An hon. member: Work along with Davis.

Mr. Peterson: After all this talk about restraint, it is my judgement that this cannot truly be called restraint or disciplined financial planning of any type.

Mr. Conway: Profligacy.

Mr. Peterson: What kind of restraint and what manner of fiscal management are reflected in a record that shows that in the four years from 1970 to 1974 the province's accumulated net debt more than doubled—from \$1.4 billion to \$2.9 billion? By March 1976, two years later, this provincial net debt more than doubled again, rising to \$6.2 billion.

Mr. Nixon: Plus Hydro.

Mr. Peterson: Whereas it would have cost \$185.03 per person to pay off Ontario's debt in 1970, that figure has increased four and a half times in six years, so that by 1976 the per capita cost of debt is \$735.43. The projection for 1977 is \$840.42 per capita.

In summary, here's the Conservative legacy of fiscal responsibility since John Roberts' last full year as Premier: Budgetary expenditures almost tripled—from \$4.2 billion to

\$11.8 billion, an average annual rate of increase of 15.8 per cent. The projection for 1977 is close to \$13 billion. Budgetary deficits total \$4.8 billion; the projection for 1977 adds almost another billion to that deficit. The province's net debt has quadrupled; it has increased 300 per cent from \$1.5 billion to over \$6 billion. The projection for 1977 has the net debt rising a further 16 per cent to \$7.2 billion.

The net debt per capita has increased 297 per cent, from \$185.03 to \$735.43, and is projected to rise this year to \$840.42, an annual increase of 14 per cent. The net debt as a percentage of gross provincial product has increased by 93 per cent; with 1977 projection, that increase will be 100 per cent. The net debt as a percentage of budgetary revenue has jumped by more than three-quarters, from 31.9 per cent to 58.7 per cent. For 1977 the percentage is expected to rise to 60.1 per cent.

Interest payments on the public debt rose 325 per cent from \$209 million to \$889 million. Projections for 1977 show a further increase of 17 per cent to a total of over \$1 billion annually in interest payments in this province. That's \$2.85 million a day in interest. I regret that this speech is going to cost the taxpayers a lot of money, because every minute I am talking means something like \$2,000 a minute in interest for this province.

Mr. Nixon: Shame.

Mr. Roy: Do you wonder why the province is in a mess, Darcy?

Mr. Peterson: What has transpired and what I want to discuss next, after putting the recent performance in a relevant context, is the effect of these massive deficits on the economy, and what has happened to our financial status and financial standing in the province at this time.

As a result of constant deficit spending, the triple-A credit rating of this province was placed in serious jeopardy last year. An extract from Standard and Poor's rating report contained the following comment: "While Ontario continues its dominant position among the provinces of Canada, we are concerned about its increasing deficits. We are continuing our high-grade rating on the province of Ontario's direct obligation debentures and notes, but we will watch Ontario's economic and financial activities closely." It was at this point that external forces started to govern this province.

Mr. S. Smith: That's right.

Mr. Peterson: John McDowell of Standard and Poor was quoted as saying, "Our big concern is the budget deficit in Ontario. They say it is to stimulate the economy. We could understand that when it was \$200 million to \$300 million, but this thing sometimes seems to be getting a little out of hand. We've gone along with it this year, but only on the basis that it is temporary."

Mr. S. Smith: You preach restraint, but it was forced on you.

Mr. Peterson: Both rating agencies, Moody's and Standard and Poor, issued a clear warning that they would like to see a fast reduction of the Ontario government's spending deficit. The implication of a reduction in our credit rating would be an increase in our cost of borrowing money, and a decrease in the availability of funds for us. The importance of this is obvious, when consideration is given to the huge borrowing needs of Ontario Hydro, the debentures of which are guaranteed by the province of Ontario. What clearer indication can the Treasurer have had of the danger of constant deficit spending, which he has guaranteed this province until 1981?

While the Treasurer may remain blissfully unaware of the seriousness of the problem, at least one of his cabinet colleagues is not. In a speech in Belleville earlier this month, the Minister of Industry and Tourism (Mr. Bennett) stressed that drastic steps are needed to retain the financial credibility of Ontario.

Mr. Conway: Build another Minaki.

Mr. Peterson: Drastic steps to remedy this serious situation are nowhere to be found in the present budget. To date, Ontario has been relying on pension funds to finance its yearly deficit. If I may, Mr. Speaker, I'd like to read into the record so this is very clear in everyone's mind, just how we are financing them, by how much and who is paying for these very serious deficits we are running.

I would like to read in the totals by year from various pension funds—Canada Pension Plan, teachers' superannuation fund, municipal employees' retirement fund, and others. In 1972-73 it was \$780 million; 1973-74, \$938 million; 1974-75, \$1,156 billion; 1975-76, \$1.23 billion; 1976-77, \$1.318 billion; and projected 1977-78, \$1.335 billion.

Mr. Nixon: It'll take all that borrowing to pay the interest next year.

Mr. Peterson: We are borrowing in projected 1977-78 from the following pension funds: Canada Pension Plan, \$850 million; teachers' superannuation fund, \$260 million;

municipal employees' retirement fund, \$190 million; and other in-house, \$35 million, for a total of \$1.335 billion, to finance a net cash requirement of \$1.077 billion.

The danger in this heavy reliance on internal pension funds to finance the province's deficit spending is that these borrowing sources will soon not be available. Here we have another external force coming into play, managing this province. The Canada Pension Plan will run out in about 1982 if the current contribution rate remains unchanged. That is the point at which payouts from the fund will rise to equal contributions into the fund and the surplus cash flow for the province will become negative.

The Treasurer has proposed in recent years the doubling of the contribution rate in order to keep a surplus available from which the provinces could borrow. What he's saying is that the taxpayer, the contributor to the Canada Pension Plan, should put in money to finance the provincial deficit. In my judgement that's totally irresponsible.

Mr. Good: Shame. It is not what the Treasurer says; it's worse.

Hon. Mr. McKeough: I would be interested where you got that quote.

Mr. Peterson: I will bring it over to you. I'll send you a copy.

The time has come to face up to the fact that inflation has resulted in the indexing of pensions paid out. It has therefore become increasingly more important for the investment of pension funds to earn the highest possible rate of return for their future recipients, and not the average seven or eight per cent currently being received from Ontario debentures.

A joint study group looking at investment policies of the Ontario Municipal Employees' Retirement System has concluded that the fund should be invested in a broader range of Canadian securities, to obtain a higher rate of return than the non-marketable province of Ontario debentures, in which it is now invested, are yielding. This is becoming increasingly necessary with inflation forcing the indexing of pensions. Higher payouts necessitate receiving the highest possible rate of return on investment.

Two of the questions upon which the joint study group based its decision are as follows: Should the province deny to OMERS the opportunity to maximize the rate of return on the system's investments indefinitely? Should the province's borrowing needs or money costs be a factor in the de-

termination of OMERS investment policies? The major findings of the joint study group were: If OMERS future contributions were to be invested in a full range of marketable securities under The Pension Benefits Act and the regulations thereunder, rather than non-marketable Ontario debentures, the study group's studies support the finding that OMERS would achieve a higher return on the system's funds possibly from a minimum of, say, three quarters on one per cent per annum to a maximum of approximately one and a quarter per cent per annum. Such a high return, on the basis of the funds to be available for investment, would increase the system's investment income substantially.

Mr. S. Smith: You win your elections on the backs of the pension funds.

Mr. Peterson: Therefore, OMERS best interests would be served by the authorization of a programme to phase out the non-marketable Ontario debenture as an investment for OMERS within a relatively short period of time.

In summary, the major recommendation was, every investment specialist whom the study group consulted—investment dealers, managers of investments for pension funds, investment counsellors and others—was of the opinion that the best interests of the employers and the members of OMERS would be served if the moneys of OMERS were invested, as other pension funds are invested with minor exceptions, in marketable securities in the Canadian capital market.

Hon. Mr. Handleman: No commissions paid.

Mr. S. Smith: You believe in free enterprise, don't you?

Mr. Peterson: The teachers' superannuation fund will in all likelihood follow this lead and broaden its investment portfolio, and the province then will simply not be able to borrow as much from these sources.

Again, as in previous years, the Treasurer has spent an amount equal to revenue, plus the amount of in-house borrowing available from pension funds. Once again there is no incentive to balance the budget any closer than whatever amount is available from these in-house sources. This amount is another \$1.3 billion this year.

The problem with relying on these pension funds is that the government is building up a certain level of expenditures. When these sources are no longer available to finance government spending, the expenditure pattern

will have to be drastically altered. Think of the drastic measures the government will have to take to decrease spending this year if it did not have access to the \$1.3 billion from internal pension funds.

This year's budget contained a five-year forecast aimed at balancing the budget by the year 1981. By a strange coincidence that is the last year that money will be available from the Canada Pension Plan as a borrowing source—the source that has sustained a lion's share of the Treasurer's deficit financing and which this year will supply us with \$850 million. Had this large pool of capital been available for free enterprise in this 10-year period from 1971 to 1981, just think of what we could have done in housing, in energy, in mining and all the places that need the capital today. Our business climate in all likelihood would have been substantially healthier and the provincial government would not find itself in a situation of having to look for ways to stimulate our business environment. That is the tragedy.

Mr. Bain: The Treasurer is undermining free enterprise.

Interjections.

Mr. Peterson: The Treasurer has chosen to over-extend the province's spending every year, monopolizing the pension fund capital to finance the deficits, and now the residents of Ontario must pay interest for years into the future for the irresponsible spending habits of this government and its predecessors.

Mr. Bain: How far do you go back? To Mitch Hepburn?

Mr. Peterson: We have discussed with several senior economists and representatives of larger financial institutions the implications for Canadian capital markets if governments were not borrowing to this extent—the implications for capital availability and ultimately interest rates. For example, what would be the implication of freeing up the province of Ontario's pension plans and the CPP for private enterprise rather than for provincial use?

The consensus is that if governments were not crowding out private enterprise through excessive borrowing and use of Canada Pension Plan funds to finance increasingly large deficits, (1) inflation would not be nearly as high in this province, (2) the stock market would not have taken the beating it did when investment activity turned down in 1974 and (3) the greater availability of funds

in the absence of government borrowing activity would have kept interest rates down and at least we would have not had as much pressure exerted on interest rates to increase. The effects would have been profound throughout the entire economy.

I want to read something that came from the Ontario Economic Council yesterday to support the proposition that the Treasurer may have no incentive to balance the budget. Our view that the Treasurer has no incentive to balance the budget any closer than the level of provincial expenditures plus the amount available from borrowing from the pension funds has been endorsed by the Ontario Economic Council in its report just released yesterday.

"One factor contributing to the continuing growth of the public sector has been the availability of large flows of non-public borrowing, wedded to net cash requirements, at a rate of interest less than the market rate." The report singles out as the most important development affecting Ontario's finances in the next decade the dramatic reduction in the future availability of non-public sources of funds. It strongly suggests that provincial government financing will be complicated in the 1980s by a decline in net financing from non-public sources such as the Canada Pension Plan, teachers' superannuation fund and OMERS.

The declaration of growth of the CPP funds has raised many questions about alternative methods of financing, the most obvious one being an increase in the contribution rate, as the Treasurer has suggested. It is known, however, that even this would only postpone—not eliminate—the day in which the province could no longer rely on CPP as a net source of new finance. The council warns that there is no reason to believe that the provincial government would not respond to this increased availability of funds from CPP by also increasing provincial expenditures. We in the Liberal Party have been aware of these deficits that have accompanied the years in which in-house borrowing was readily available.

With respect to the interest on CPP funds, the council notes that the province pays a rate of interest equal to yield on long-term government of Canada bonds, a rate below what the province would have to pay in the public market. The advisory committee of the Canada Pension Plan estimates this interest subsidy to be about 1.12 percentage points and therefore the advisory committee has recommended that the provinces pay interest on these funds at a rate commen-

surate with a yield that they would have to offer on securities sold in the open market.

[4:15]

The council concludes that section by stating: "To the extent that the availability in the past of CPP and other non-public sources of funds has served as a stimulus to government spending, then the reduced availability may exert a constraining influence in the future. For this dubious blessing, perhaps we should be somewhat grateful.

Reduction in borrowing requirements by all levels of government make for a healthier capital market, simply because it would mean that governments were not spending as much; therefore, more capital would be available. I would like to cite total amounts borrowed by governments in the private sector in Canada last year, based on Bank of Canada review statistics: Federal government, \$2.6 billion; provincial governments, \$3.7 billion; municipal governments, \$500 million; corporations, \$1.4 billion.

You will notice that all corporations in Canada raised \$1.4 billion domestically. Yet the province of Ontario alone is provided with \$1.3 billion from its own internal pension funds and its share of the CPP. In other words, the pension funds of this province of Ontario, along with the portion of CPP allotted to Ontario, could have single-handedly financed almost 100 per cent of the total money borrowed domestically by all corporations of Canada.

And those people on the other side of the House run around asking: "Who is killing free enterprise?" I can tell them it is not us and it is not even our friends that much to the right.

Mr. Bain: For Hansard, that's the NDP he referred to.

Mr. Peterson: It's those opposite. It's them who are crowding it out.

It is them who are leaving no room for anyone else to move. All governments are guilty and this one is one of the big offenders.

Just to bring this into perspective, I want to discuss Ontario's position relative to the other provinces. Just to show that things can be done.

Interjections.

Mr. Peterson: The historical pattern of this government's fiscal policies is particularly significant when viewed against the background of similar development in other

selected provinces and the Canadian national average. Let's consider the compound annual rate of growth in gross provincial direct and guaranteed debt in Ontario between 1968 and 1975; this was 14.5 per cent. This is the third highest growth rate in the increase of debt in this country. Moreover, the actual debt is greater in size than Quebec's by \$4.5 million, Alberta's by \$10.8 million and by British Columbia's by \$9.1 million.

The per capita compound annual growth rate in gross provincial direct and guaranteed debt for Ontario between 1968 and 1975 was 12.5 per cent. This is the third highest growth rate in the country. In 1968, Ontario ranked second behind Alberta in having the lowest debt per capita. By 1975, Ontario had dropped to fifth place. While Ontario has the highest personal income per capita in the country at present, the compound annual growth rate of personal income, per capita, between 1968 and 1975 in Ontario was the lowest in Canada at—

Mr. S. Smith: That's right.

Mr. Peterson: 9.8 per cent compared to 10.4 per cent in British Columbia, 11.3 per cent in Quebec, 12 per cent in Alberta. In these circumstances we cannot hope and can't reasonably expect that Ontario is going to maintain its privileged position for a long time into the future.

Ontario's compound annual growth rate of provincial government gross annual revenues between 1972 and 1976 was 14.7 per cent, the lowest growth rate experienced by any province in the country.

The compound annual growth rate in Ontario's gross provincial product from 1970 to 1976 was 13 per cent, lower than the national average in terms of rate of growth of 13.6 per cent. What is this telling us? It's telling us we are falling behind the national average. And every time we are behind the inclusion of our figures drags down the average.

Another area in which Ontario's performance over recent years compared very unfavourably with the other provinces and the national averages is in terms of housing. With the exception of 1972, the annual percentage increase in housing starts in Ontario has lagged behind the national average since 1970 and the gap is widening.

If Ontario starts are removed from the national total the difference in percentage increase is dramatic. In 1975, Ontario experienced a decrease of 5.7 per cent over 1974 while nationally, excluding Ontario, there was an increase of 16.6 per cent in

urban housing starts. Again, in 1976 while Ontario had an annual increase of 5.4 per cent in urban starts, nationally there was a 15.3 per cent increase.

If the Ontario starts were excluded, the rest of the country experienced a percentage increase of 21.2 per cent. The trend continues to decline into 1977, with Ontario experiencing a decline in total urban dwelling starts of 18 per cent compared to a national decline of 12 per cent during the first two months of this year, over the same period in 1976. The decline in multiple dwelling starts of 15 per cent compared to a national decline of nine per cent is of particular concern, given apartment vacancy rates for selected Ontario cities in October 1976 as follows: Hamilton, 2.9 per cent; London, 1.3 per cent; Ottawa, 1.9 per cent; Sudbury, 1.2 per cent; Sault Ste. Marie, 0.2 per cent; Thunder Bay, 0.2 per cent; Toronto, one per cent; and Windsor, 2.2 per cent. In almost every case, these figures represent a decline in the apartment vacancy rate from October, 1975. Federal housing experts maintain that an apartment vacancy rate of three to four per cent is healthy, conducive to fair rents and the construction of more buildings.

The Conference Board predicts a decrease in housing starts in Ontario in 1977, compared with 1976, of 15.2 per cent. Meantime, the government is slightly more optimistic than these distinguished forecasters but then the government always is and usually it's wrong. Optimism notwithstanding however, the government itself predicts a drop in housing starts of 4,700 units in 1977 to 80,000. This is a far cry from the 100,000 starts which the government-commissioned Comay report four years ago said would be necessary annually for a decade to avert a housing crisis.

Mr. S. Smith: We're lagging on every major indicator.

Mr. Peterson: This decrease again outstrips the expected national decrease and is due to a high inventory level of newly completed homes. Clearly what is lacking in Ontario is not housing per se, but affordable housing.

Ontario has lagged substantially behind the national percentage increase in retail sales in 1973, 1974 and 1976, and the predictions are that we shall again be behind this year. In 1973 Ontario had a percentage increase of 11.3 per cent, while the national increase was 12.6 per cent. Ontario experienced a percentage increase of 14.4 per cent in 1974 compared to a national increase of 16.5 per cent. Excluding the Ontario figures the

national increase for 1974 would have been 17.7 per cent. In 1976 Ontario had a percentage increase of 9.5 per cent, compared to a national increase of 10.9 per cent, there was an increase of 11.7 per cent if the lagging Ontario figures are excluded.

Ontario also lagged behind the growth provinces of Alberta, British Columbia and Quebec in 1973 and 1974, behind Alberta and Quebec in 1975, and behind Alberta and British Columbia in 1976. In its November forecast the Conference Board of Canada predicted a percentage growth in retail sales of 10.1 per cent for 1976 and 9.7 per cent for 1977. By January, 1977, the board revised its figures downward to 9.5 per cent for 1976 and only 8.4 per cent for 1977. This means that retail sales for Ontario will grow more slowly than for the nation as a whole again this year. This is due to an anticipated growth in personal disposable income for Ontario of about 10 per cent in 1977, compared to a projected rate of interest of 10.5 per cent for Canada. The 8.4 per cent is certainly a far cry from the Treasurer's prediction of 10 per cent in 1977. If the Ontario figures are excluded from the national total, the increase in retail sales growth would increase by 0.1 per cent to 8.7 per cent in 1977.

From 1970 to 1977, using Conference Board of Canada predictions for 1977 data, capital expenditures for the nation as a whole increased by 155 per cent. Ontario experienced an increase of only 103 per cent, again lagging behind the other growth provinces during this period. Alberta had an increase of 281 per cent; Quebec, 209 per cent; British Columbia, 126 per cent. If the Ontario figures are excluded from the national total the increase for Canada was 188 per cent for 1970 to 1977 compared to 103 per cent for Ontario.

Mr. S. Smith: Lagging behind on every major indicator.

Mr. Peterson: From 1970 to 1977 capital expenditures for machinery and equipment showed the same trend, rising by 152 per cent for Canada and only 105 per cent for Ontario. Again the other provinces fared far better: Alberta, 345 per cent; Quebec, 194 per cent; and British Columbia, 114 per cent. When the Ontario figures are excluded from the national total, the increase for Canada was 186 per cent, compared with 105 per cent for Ontario. The lagging trend for Ontario shows no signs of change—indeed it appears to be worsening.

Mr. S. Smith: We used to lead.

Mr. Peterson: Specifically the annual percentage increase in capital expenditures in

1976 was 7.6 for Ontario and 12.1 for the nation as a whole. In the entire country, only Newfoundland experienced a lower yearly percentage increase in 1976 at 5.2 per cent; while Alberta saw an increase of 27.6 per cent, Quebec 10.7 and British Columbia 10.2 per cent. For this year the anticipated increase for Ontario at 2.8 per cent is well below the national increase of 8 per cent.

Ontario's share of the country's planned capital spending in 1977 works out to 31 per cent, down from 39 per cent in 1970. This will mark the fifth year in a row—fifth successive year—that Ontario's advance in capital spending has lagged behind the national average.

I have presented a lot of numbers, and I thought that they were meaningful to have in the record—

Mr. S. Smith: Right.

Mr. Peterson: —to substantiate my story, to substantiate the great feeling of alarm that we have in this party. It's inevitable that this government is going to be defeated some day by someone, and I can tell you—

Mr. Cassidy: Not by you.

Mr. Peterson: —that it's going to leave an incredible number of problems for that person who takes over. They'll be lucky to be defeated—

Mr. Foulds: I thought it would be the party.

Mr. Peterson: —because the problems coming down on our heads through our slow growth rates, through the combination of lags in almost every sector of the economy, through our incredible debt financing and through our inability to borrow any more, are going to come crushingly down on our heads—

Mr. S. Smith: That's right. They mortgage the coming generations.

Mr. Peterson: —unless we have a government that's far-sighted, that looks to the future and that cuts out some of these incredibly wasteful and ridiculous things that are carried on by the government.

I want to talk at this point about government waste, because there are obviously two ways to decrease a deficit. You can increase your revenues or you can cut out your expenditures. We have always talked about, and will continue to talk about and will always present programmes aimed at ways we think money can be saved. We are very concerned

about the growth of the public sector and the incredible waste that we see daily around here—the people who can be replaced with signs. That's the Treasurer I'm referring to; no, I wasn't really meaning him. But there are, just on a daily basis, and we probably all get conned into that mentality and take the easy way out of situations by putting money in rather than putting imagination in. It's going to take a new kind of direction, in my judgement.

I just want to add at this point from a very personal point of view that I think that President Carter's providing the kind of direction that I'd like to see, a personal direction. He is cutting out the limousines in his own house. Before he goes to the people and says, "I want you to cut back," he cuts back himself.

Mr. S. Smith: You guys won't even go down to mid-size cars.

Mr. Peterson: I think that kind of personal leadership is sadly lacking in this province. I really do. I'm not saying it's not lacking at other levels of government; it is. But what we have is 26 cabinet ministers sitting across the room.

Mr. Nixon: I only see two.

Mr. Peterson: I've heard it argued on many occasions that we should have a senate in this province just so we can recycle some of those people rather than having to expand the cabinet. At least if they were in a senate, they wouldn't cause us any trouble. It would be known that they didn't have to do anything.

Mr. Foulds: What about the expense, though?

Mr. Peterson: It's a real problem with a government that's been in office too long.

Hon. Mr. Handleman: Speak to your friends in Ottawa.

Mr. S. Smith: It's cheaper than having to invent new ministries and make superministries that don't exist.

Hon. Mr. Handleman: Why don't you speak to your friends in Ottawa?

Mr. Peterson: All these people who have acquired debts and obligations for the government—it has to find places for them. They have big pension plans. They slot them into major corporations or boards under government control. We have a recent example in this last cabinet shuffle where they had to

expand the cabinet rather than getting rid of a few. It's too bad. I wish we had a safe, harmless place where we could send them. At least they wouldn't foul up the affairs of state.

I think any government that's serious about financial responsibility has to start with itself, has to have the mentality to start with itself. I can tell the House very candidly, this party would have absolutely no problem running the government better with a fraction of the cabinet. We could easily do it.

Mr. Foulds: You'd have to, with the talent available.

Mr. Peterson: We could easily cut six or seven or eight people.

Hon. Mr. Handleman: What fraction? Ninety-nine one-hundredths?

Mr. Peterson: You'd be cut, Sidney. You're the first guy who would be cut, I've got to tell you.

Hon. Mr. Handleman: Ninety-nine one-hundredths is a fraction. What fraction?

Mr. Eakins: Because the minister doesn't want to do the job.

Mr. Foulds: The Liberals would cut consumer protection, would they?

Mr. Acting Speaker: Order, please.

Hon. Mr. Handleman: Tell us what fraction.

Mr. Nixon: You'd have to go back to work, Sidney.

Mr. Acting Speaker: Order, please.

Mr. S. Smith: You must have learned your mathematics under Davis.

Hon. Mr. Handleman: I'm waiting for the fraction.

Mr. Peterson: I feel very strongly that we are in an age now when we need personal leadership. Personal leadership is far more important than mouthing a few words about restraint and then not doing anything about it.

Mr. Nixon: Running around in helicopters.

Mr. S. Smith: Restraint forced on you.

Mr. Peterson: I think that they should start there. I can tell the House that that's where we should start.

Even Maxwell Henderson, the Treasurer's good old friend, said, and I want to quote

him: "The government has not distinguished itself in cutting back spending." In spite of all the rhetoric, in spite of all the noises we hear, in spite of all the false perceptions that the Treasurer is the friend of the efficient and the friend of people who are trying to get productivity in government—frankly, his record, in my judgement, could be a heck of a lot better.

[4:30]

I want to talk about some of those examples of waste because I think it's very important that we get those on to the record. Some of them are errors in judgement. We will, at any time, allow a government to have an error in judgement. That happens sometimes. The fault is in not correcting it; the fault is in perpetuating it. When the government makes one mistake why does it just keep going on and trying to cover it up. For example with Minaki Lodge, I will accept the fact that Ontario Development Corporation could make a bad loan and even write off \$660,000. Any risk investor runs into those kinds of problems, but the mistake is not to say "I have made a mistake" and cut it off then and cut your losses. But we see this compounding of errors of judgement—

Mr. S. Smith: Putting good money after bad.

An hon. member: Thousands of dollars a day.

Mr. Peterson: —and I'll tell you that's not the only one, Mr. Speaker.

Over the years, we have consistently endeavoured to persuade the government to set out on the road to economic recovery through cutting out these kinds of waste. I just want to cite some examples of that. In the 1973-74 fiscal year, we had three royal commissions costing a total of \$791,295. In fiscal 1975-76, the number of commission tripled.

Mr. Reid: Judy LaMarsh—\$250 a day to watch television.

Mr. Peterson: During the first year of operation, the royal commission on violence in the communications industry cost \$765,237—as much as all three 1973-74 commissions—

Mr. Reid: And that's the biggest crime right there.

Mr. Peterson: —and this does not include the cost of research of some 28 studies.

Mr. S. Smith: It adds to the taxes. It's going to hurt a lot of our citizens.

Mr. Peterson: And what's interesting about this is that we don't even have jurisdiction in this area.

Other countries, such as the US and Denmark, have produced highly regarded studies on the effects of violence in the media upon violence in society. It's highly doubtful that the LaMarsh commission will add anything more to these studies. Moreover, it is likely to be one of the most expensive inquiries ever in the history of this province. For the cost of the commission alone, we could have focussed attention on the very serious aspects of violence that we have some jurisdiction over in this province. I'm talking about racial violence and violence in the home. If you examine the statistics, that's where the majority of that kind of thing happens today.

The recent racially motivated attacks in the subway are common knowledge. There is no need for me to go into them here. Not so well known, however, is the fact that approximately 25 per cent of the total number of homicide cases in Metropolitan Toronto involve women as victims and men as killers. Previous violence—assaults, beatings, kickings, and so on—is usually reported in about 30 per cent of these cases. Some 70 per cent of women killed by men are listed as domestic homicides. In these areas there's a desperate need for research and crisis intervention centres. The LaMarsh commission budget would have been far better spent, in our judgement, in this connection.

Mr. S. Smith: This was real—not phoney.

Mr. Peterson: The commission on the Don Jail was essentially set up to report on recent allegations of mistreatment of Toronto Jail inmates. However, it has turned into a prolonged inquiry which had already cost \$655,005 by the end of March 1976. Because of the inordinate length of time the commission has taken, the mandate has been completely undermined and by the time the report is written, the alleged mistreatment will be ancient history. Again it's government by commission. Surely the fact that the ministry intends to close the jail within four years will ensure that the commission's report is totally irrelevant.

I mentioned Minaki Lodge, but it's just a classic example. I had the privilege of sitting on the public accounts committee and going through that and hearing the misinformation that the ministers had, that the deputy ministers had, that the civil service, through the Ontario Development Corporation and Northern Ontario Development Corporation—I assure you, if they didn't have tenure you'd

fire them, Mr. Speaker, because it's absolutely incompetent. No one else would hire people who delivered those kind of services. You can only add the component of political considerations into that kind of a decision. And I'll tell you, Mr. Speaker, they were bad, too. We're suffering on all accounts from that kind of thing, dumping \$8 million in—it costs you \$400,000 for it just to sit there—and still the government does not know what it's going to do, whether it's going to spend another \$8 million or write it off.

Mr. Foulds: That's where we could have the senate chamber for Ontario that you proposed earlier.

Mr. Peterson: That's not a bad idea, Jim. That's the first constructive idea I've ever heard out of the NDP.

Ms. Gigantes: Wash your ears.

An hon. member: You should wash out your mouth with soap.

An hon. member: Oh, oh. Nasty.

Mr. Acting Speaker: Order, please.

Mr. Reid: She's a mistress of repartee.

Mr. Acting Speaker: Order, please; the hon. member will continue.

Mr. Cassidy: It was deserved.

Mr. Peterson: She looks so sweet.

Mr. Foulds: You look sweet too, David.

Mr. Acting Speaker: Order, please, perhaps the hon. member will return to the subject matter and leave the discussion.

Mr. Peterson: It's not my fault. They're trying to distract me. They're trying to make me provocative. In 1972 money was funneled through the NODC to Thunder Bay Ski Jumps Limited—a company formed by NODC and of which it is the sole shareholder—to construct two ski jumps, the placement of which meant that after landing, jumpers would run onto the property at the Mount Norway ski resort which received \$270,000 in NODC loans in 1972. In total, the amount of provincial money that has gone into this operation since 1972—

Mr. S. Smith: Great leap forward.

Mr. Peterson: --is \$537,000, and still more money is required. The Globe and Mail reports that another \$1.2 million is required in order to get it off the welfare list.

I want to deal with the Ministry of Community and Social Services which has made a practice of sending out payments to people who no longer need them, or whose entitlement had been reduced. In some cases, these cheques continued to go out for 186 days before they were stopped, and more than \$19 million was paid through these and other means. The largest amount, \$8.6 million, represents unrecovered portions of overpayments which were outstanding when recipients were cut off.

Administrative errors were blamed for \$857,000 of the losses during the past three years and legal action has been considered in another 86 cases for which overpayments total \$563,000. At least \$70,000 has apparently disappeared in the form of replacement cheques for others; these have been lost or undelivered.

For many years, professionals have complained about the care of the elderly. A report of the interministerial committee on residential services was submitted to the cabinet committee on social development in April 1975. A full year and eight months later, its damning comments were released, only following considerable pressure from my leader. This report arrived at the stunning conclusion that 30 per cent to 40 per cent of nursing home residents of the 1974 population could, with support services, live at home rather than being institutionalized. The per diem cost of 40 per cent of all extended care beds in Ontario is \$237,994, annually and that represents misused expenditures of some \$86 million.

The escalation of costs in institutionalized care is due to the fact that most elderly people who are unable to cope with their needs at home are being admitted to general hospitals, chronic and special-care hospitals and nursing homes. Once treated in one of these heavy nursing care, very expensive treatment centres, the elderly patient languishes for weeks and months, waiting for placement in a lighter care facility such as a senior citizens' residence or municipal hospital. This situation results in a shortage of beds for emergency and active treatment patients in general hospitals, causes a scarcity of beds in chronic and special care facilities for very needy patients and causes confusion and emotional upset for the patient and his family because hospital stays are prolonged and futures left undetermined.

Meanwhile, the problem of over-usage exists in heavy nursing care, while many lighter care facilities, providing much less nursing care, are having trouble filling vacancies.

Another example of waste is the sound system in this Legislature. The sound system cost \$171,000 by the time the second company has completed repairs. If the government had accepted the original bids some \$42,000 would have been saved.

There are examples of this all over the place.

I want to talk to you about one of the most confused areas, which probably no one in this House, not even the experienced ones—the people who have been around here a long time—fully understand or appreciate; that is the myriad boards, agencies, commissions and little groups that are running around, staffed mostly with recycled government members or friends of the government.

The Liberal House leader prevailed upon the government to release a list of some 344 directorates, institutes, boards, tribunals, councils, courts and committees whose members are partially or entirely appointed by the government. These quasi-government agencies employ a full 40 per cent of all provincial employees.

Mr. Reid: They're not included in the statistics.

Mr. Peterson: I saw Doug Fisher on television the other day. He was saying to the interviewer that he was making a study of the agencies, boards and commissions of the Ontario government compared to the federal government. He said on that programme—and I can now substantiate it—that he found in Ontario that there were 200 per cent more of that type of body than there are in the federal government. That's interesting, when the Premier, the Treasurer and all these cabinet ministers are running around saying: "We don't want to intrude in people's lives. The government has gone too far in getting involved in the citizens' business." Theirs is all of these things, that is responsible for these massive intrusions into our lives.

In March 1973, the ninth report of the committee on government productivity suggested it would be a monumental research and procedural task even to make adjustments—

Mr. Cassidy: There is no government here for people to disagree on.

Mr. Peterson: —of nomenclature to differentiate, for the sake of clarity, between the functions of Crown agencies. To date, the government has not reacted to the need for consistent nomenclature for its agencies or to the urgent requirement for a comprehen-

sive system of review of the financing, staffing and policy outlook of a myriad agencies supposedly under ministerial control. The Workmen's Compensation Board is an administrative nightmare and a bureaucratic jungle. Everyone here, at least in the opposition, agrees with me in that.

Mr. Cassidy: There are no government people here to disagree.

Mr. Peterson: Will you phone them all and tell them so we will give them an equal opportunity?

A damning illustration of the manner in which a licensing agency can establish policy in critical areas—and this was of grievous concern to my leader and to the people in the Liberal Party—where the government, for political reasons or as a result of ignorance refused to act, is the Greyhound-Gray Coach controversy. We were very frightened by the implications of that. Government agencies have become so suspect that they are now frequently bypassed because of lack of confidence in their ability to fulfil the purpose for which they were established. In all but minor cases, for example, the Environmental Assessment Board now runs the risk of becoming defunct.

A royal commission inquiry was established to assess the impact of Reed Pulp and Paper's application for timber rights in the north. This is surely an indication of things to come because of the inability of the existing institutions to deal with it. It is all done on an ad hoc basis. There hasn't been serious thought to this whole procedure.

On a number of occasions the government has reiterated that it is committed to rationalizing government services, to spreading them throughout the province. The sincerity of this commitment is dubious when one considers that of the 344 government agencies, no fewer than 274 are located right here in Toronto, and even those services which would appear to be decentralized or should be decentralized relate to titular appointments to board of governors or trustees or public institutions such as universities and hospitals. Regional boards of health are probably the only area where there has been any degree of functional decentralization. I will have more to say on this later when I talk about regional economic development, which is another very serious concern to us.

There are two other issues related to the economic impact of agencies and Crown corporations in this province. The first re-

lates to the overall provincial financial position, the second to the rather unorthodox—I was going to say misleading, Mr. Speaker; I guess that's not a very appropriate thing to say today—

Mr. Sargent: That's okay.

Mr. Peterson: —inappropriate manner in which the Treasurer consistently uses such corporations to change and manage our perception of provincial accounts. Some 20 large corporations appear regularly in the public accounts of the province as well as the annual report of the Provincial Auditor. Among these corporations are Hydro, Ontario Housing, Ontario Energy Corporation, Ontario Development Corporation, the Ontario Educational Capital Aid Corporation, and the Ontario Universities Capital Aid Corporation. I will have much more to say on these latter two agencies in a moment.

Typically, these corporations are in large measure financed out of statutory appropriations against the consolidated revenue fund. The Treasury advances funds to these corporations and over a period of years receives back interest and principal from revenues generated by the activities of the agencies. Standard government accounting practice interprets disbursements and receipts of principal as non-budgetary transactions while repayment of interest on advances is recorded as budget revenue.

While this procedure is not of itself unusual, the dollar amounts involved are staggering. For example, in 1975 to 1976 public accounts show a full \$1.7 billion Treasury expenditure by way of statutory appropriations. The Provincial Auditor has pointed out that during the year 1975 to 1976 payments relative to the statutory appropriations constitute approximately 16.5 per cent of total payments out of the consolidated revenue fund. This is no new phenomenon. The corresponding percentages for 1974 to 1975 and 1973 and 1974 were 20.4 per cent and 17.6 per cent.

The key point here is that the expenditures are completely beyond the scrutiny of the Legislative Assembly. They are not voted upon. They are not discussed except when they get completely out of control, as in the case of Ontario Hydro. Nor can we overlook the fact that according to the Treasurer's own latest estimates of receipts and disbursements for a number of provincial corporations in 1976-77, there is a deficit of \$236 million on the non-budgetary account—in other words, one third the size of the estimated deficit for budgetary transactions.

Traditionally and inevitably, this has led to a net increase in lending activity and it has had and will continue to have a detrimental impact on the net cash requirements of the province.

In my view and our party's judgement we cannot permit these expenditure items to undermine the province's financial position without bringing them under legislative scrutiny. The Provincial Auditor in his latest report cites the following examples, and I quote:

"Disbursements to the Ontario Educational Capital Aid Corporation, the Ontario Universities Capital Aid Corporation and the Ontario Municipal Improvement Corporation for development loan activity could, we feel, be voted by the Legislature, as could disbursements to the Ontario Development Corporation, Northern Ontario Development Corporation and Eastern Ontario Development Corporation for term loan activity. In 1975-76, disbursements for development loan activity and for term loan activity totalled over \$148 million and \$50 million respectively."

[4:45]

It's high time that these items were brought before the Legislature for examination, if for no other reason than that the present government needs our assistance in its newly announced efforts to balance our seriously distorted books.

I just want to discuss in a little more depth, if I may, two corporations, the sole purpose of which appears to be to disguise actual budgetary expenditures behind an accounting façade. In the process, by the end of fiscal 1975-76 the Treasurer had understated the provincial real net debt position by a full \$2.45 billion and inflated the overall budgetary revenue and expenditure figures by creating superfluous interest charges well in excess of \$100 million per annum.

Mr. MacDonald: Is that misinterpretation or misrepresentation?

Mr. Peterson: I'll take your advice on that, Donald. What should I use?

Mr. Bullbrook: Don't do that. We'll be back into Shakespeare and Sir Toby again.

Mr. Peterson: I should tell the member for Riverdale, I may be the only one in the House, but I very much enjoyed his little foray into Shakespeare this afternoon. I think he should be complimented on it.

Interjection.

Mr. Peterson: We've got to raise the sights of this dismal place occasionally.

Mr. S. Smith: He's a better actor than a parliamentarian.

Mr. Peterson: The public accounts 1976 statement shows Ontario's liabilities are more than \$13 billion. Assets, including loans, advances, investments and cash holdings, total more than \$8 billion. This leaves a net debt of approximately \$5 billion. Of total provincial assets, more than \$6 billion, or more than 74 per cent, are held in the form of advances to various agencies, including \$2.3 billion in secured advances to Ontario Hydro and more than \$4.1 billion in advances to 19 other major provincial corporations.

The rationale for listing these advances as assets is that, generally speaking, they are held in the form of interest-bearing securities which will, under varying terms, be redeemed by the operations of the various corporations. In other words, the corporations, and subsequently the Treasurer, will receive revenue from third parties—for example, Ontario Hydro customers. This is a sound financial procedure, consistent with effective fiscal management.

However, there are two glaring exceptions to this practice which have come to the attention of the Provincial Auditor and should be brought to the attention of the public. Two agencies, the Ontario Universities Capital Aid Corporation and the Ontario Education Capital Aid Corporation, together hold outstanding liabilities in the form of advances from the Treasurer of Ontario totalling almost \$2.5 billion, administered, it would seem, by the senior officer of the Treasury and a handful of clerical staff.

The Provincial Auditor has provided a brief description of the financial operation of these two corporations. Advances received from the consolidated revenue fund in the form of non-budgetary statutory appropriations are lent to school boards and universities to finance capital construction. In return, the corporations hold debentures issued by the borrowing institution redeemable over a period of years, bearing interest in the range of 5.5 per cent to 9.5 per cent. However, when these debentures mature, interest and principal is paid, not out of revenues from any third party, but out of various budgetary expenditures of the Ministries of Education and Colleges and Universities.

I want to quote from the Provincial Auditor's report: "In 1975-1976 institutions effectively made principal and interest payments to the Ontario Education Capital Aid

Corporation totalling [about \$106 million], of which [\$104 million] was provided out of expenditure appropriations of the Ministry of Colleges and Universities." In other words, the money is being transferred from one ministry to another. We have a somewhat bizarre procedure here.

First, the \$2.49 billion in outstanding advances is listed in public accounts as a provincial asset. Surely this is a strange asset. The Treasurer, through an incredible accounting manoeuvre, has capitalized what is, in reality, a liability. Debentures held by the education and university capital aid corporations are held against the Province of Ontario.

I'm glad to see the Treasurer back. I'd like to go for one too, but I'm staying here.

Hon. Mr. McKeough: No, but you're making the same arguments that Deacon made five years ago. I sort of hoped you would come up with something new.

Mr. Peterson: It's good logic.

Mr. Acting Speaker: Order, please. The hon. member for London Centre will continue.

Mr. Sargent: You're not using figures from five years ago, are you?

Mr. S. Smith: It really is debt. It is not a capital asset.

Mr. Acting Speaker: Order, please.

Mr. Peterson: Regardless of how these entries are registered in educational institution accounts and the corporations, the inescapable fact is that the debentures are not payable by any third party. This surely is an integral part of any definition of this type of asset, and it is clearly not a definition that has any applicability to the transactions of the two corporations concerned. I submit, therefore, that the Treasurer has understated the real net debt position of the province. If he is serious about balancing the books by 1980, he should get his figures straight. The debt which must be ultimately financed is not \$4.9 billion, but rather \$7.37 billion.

These figures are for fiscal 1975-76. The budget has an interim net debt calculation for 1976-77 of \$6.2 billion and an estimated net debt position of \$7,199 million for fiscal 1977-78. As the Treasurer has not seen fit to specify the liabilities or assets for either of these years, it is impossible to calculate the error in current terms. However, if accounting is consistent with past performance, our present net debt position is now rapidly approaching the \$10 billion mark.

Secondly, the Provincial Auditor notes that with respect to payments by the Ministry of Colleges and Universities to the Ontario Universities Capital Aid Corporation, 1975-76, of a total of \$106 million, some \$84 million went towards payment of debenture interest, while only \$22 million was applied to the principal of the Corporation's outstanding advances. Furthermore, the expenditure by Colleges and Universities was reflected as revenue in the Treasurer's accounts. This means that while this particular transaction had no effect on the province's budgetary deficit, in reality it inflated the overall revenue and expenditure needs of the province by over \$84 million. The accounting practices of the Ontario Education Capital Aid Corporation, though somewhat more complex, are wholly analogous to this procedure.

Surely, it is reasonable to ask why is the province paying interest to itself? Is the Treasurer being altogether candid in his presentation of all the facts? Successive Treasurers have engaged in this exercise, thus burying major budgetary expenditures in the short run while in the long run producing serious distortions in the presentation of the net debt figures of the province, and creating inflated and unnecessary demands on the taxpayers of this province.

This criticism is implicit in the Provincial Auditor's report under items 17 and 51. It reflects the concern of the Committee on Government Productivity, which observed in 1973 that "in the main, practice in the use of disposition of revenue is generally inconsistent and graduations occur in the extent of capital financing and control by the government."

I would urge—the Liberal Party would urge—that the government take immediate action to rectify this situation, with respect to the capital aid corporations, and with respect to the more general problems of quasi-governmental agencies. These agencies should be made accountable to the Legislature. I think that a general review by a committee of this House could have a very major impact on trying to simplify this great myriad of government that has been created by the people opposite.

Mr. S. Smith: It's hidden debts, and nothing else.

Mr. Singer: A financial nightmare, again. A financial nightmare.

Mr. Peterson: Don't despair, Mr. Treasurer, I am about one-tenth finished.

I want to talk, if I may, about the area of health, very briefly. I wish we had time to go into a lot of policy areas but I want to get onto the financial implications of some of the policy areas, and what I think are some of the principal areas of waste.

Between 1970 and 1976, the Ministry of Health incurred an average annual percentage increase in expenditure of 16.7 per cent. In 1973, expenditures rose 23.4 per cent; in 1974, 23.5 per cent; in 1975, 18.3 per cent; in 1976, 14.6 per cent. The Health ministry overspent its budget in 1976 by \$87 million, to a total of \$3.4 billion, the largest single expense in our provincial budget.

An expenditure increase of this magnitude is in principle unacceptable during a period of financial restraint and when it is experienced by a ministry that is already out of control. We have lots of examples—from the Provincial Auditor and everyone—of ways to clean up the administration of that organization. Both financially and administratively, it cannot be tolerated. The abuses of the OHIP system—a bureaucracy so notorious for its inefficiency, ineffectiveness, and sheer size that it is unlikely to be matched in any other jurisdiction—are representative of the mismanagement of the Health ministry, a mismanagement which we all know threatened the very existence of a number of provincial hospitals. It is so interesting, with a little hindsight, to look back on that fight a year ago and the incredible incompetence with which that was handled—a tremendous disruption of so many people's lives—with the net result that it was all unnecessary and just disruptive and costly. It really was a tremendous example of incompetence, in our judgement.

You will recall that OHIP was once again a main focus of attention in the most recent Provincial Auditor's report, which devoted some 14 pages to the Ministry of Health and abuses of the \$800 million OHIP fund. According to the Auditor, the Ontario Health Insurance Plan had paid out millions of dollars in claims without properly checking their validity. July 31 records show claims covering over 12 million participants in the health insurance plan, although the province's population a year earlier was somewhere over eight million.

When the medical review committee of the College of Physicians and Surgeons was set up in 1971, it was hoped that improper claim payments could be controlled. However, the committee has yet to issue decisions on some 175 cases, many dating back to 1974, and

has recommended the recovery of money in only 115 cases, making no recommendation for action in the other 254 cases. It has failed to explain many of its decisions.

The Provincial Auditor stated that existing legislation makes prosecution of fraud charges almost impossible while the government and medical professional rules have been far too lax. And surely the government has a responsibility to manage this portfolio far better—to be more stringent in the application of existing legislation. If this is inadequate, it should recommend amendments to the Legislature which I'm sure we would all support, and which would prevent further abuse of the OHIP system.

It's the only system that I'm aware of, Mr. Speaker, that pays out this fantastic number of hundreds of millions of dollars and the consumer doesn't know his involvement. It seems to me that in any cost-conscious ministry, the first way you start to make people aware of the rise in costs is to let them know. We certainly think that as a first step to cutting costs, the public should be made aware and every citizen of this province who uses the facilities should be sent a statement saying what kind of cost he has been to the system.

I think that those kinds of figures would dramatically change people's perceptions about health care. It would bring them into co-operation with the government, which is the first step to bring some kind of regulation into the incredible and exploding costs in that ministry.

With your permission, Mr. Speaker, I want to talk about land assembly. That's been an area that many of my colleagues have been very concerned about and, I say with some pride, they have brought it to the attention of this House on many occasions. We're concerned about the abuse from activities of corporations associated with the Ministry of Housing. Here, however, the agencies have a more direct relationship with the ministry and with its policy directors. Accordingly, criticism as such must, in large measure, be directed toward the current Minister of Housing and his often over-exuberant predecessors. I refer here to the highly questionable land banking programme of the Ontario Housing Corporation and the Ontario Land Corporation.

Four specific land acquisitions over the past 10 years highlight the fact that in the housing field the Conservative government is becoming increasingly incapable of planning programmes effectively and of implementing policies either efficiently or fairly. Last fall

we were all witness to the sorry spectacle of agents of this province being accused by the Ombudsman of deceiving residents in the \$214 million North Pickering development site in order to induce them to sell their properties to the province at prices below what they reasonably expected to receive. I don't intend to go into the details of this particular situation, Mr. Speaker, but I think everyone realizes that the truth was effectively blurred by the necessity of creating a political stand-off in a manner which was unique in the circumstances of the time. So we shelve the incidents for the time being.

However, lo and behold, within six months we get a repeat of the entire scenario—this time at the 12,690 acre, \$28.2 million, South Cavuga land site. This, incidentally, is in addition to the 13,440 acre assembly costing \$33.5 million some 20 miles away in Townsend township. The same actors with the same accusations of harassment and deception. One wonders what's going to come next.

This aspect of the government's land purchase programme requires thoughtful adjudication. I am inclined to wait before I make a final judgement myself on the actions of the government's agents. However, now the more general purchasing policies of the government are falling into disrepute. The multi-million dollar acquisition of land by Ontario Housing Corporation near Ottawa is a case in point.

Here a justice of the federal court has suggested that the Ontario Housing Corporation policy of making of block purchases on the open market is neither prudent nor economical. In this assembly one specific example worth noting was the purchase of 200 acres of land for more than \$1,000 an acre which had been bought for \$283 per acre a brief eight months earlier.

Items like this simply do not make a great deal of sense. They suggest to me that either successive Ministers of Housing have lost touch with the activities of their agencies, or that they simply do not have the capacity to make fiscally sound expenditure decisions on behalf of their departments.

In this score, it appears to me that we have the support of at least one member of cabinet. It was the Minister of Industry and Tourism who observed before the assembly was announced that "we'd be completely off our nut to build a new industrial park there . . . Whoever is assembling the land won't get encouragement from me and it is extremely difficult to believe that the government can justify such a purchase."

Now, on a yet more general level, we have the very real prospect that the entire process of land assembly, and the administrative headaches which have come to characterize it, may turn out to have been a complete waste of time, emotional energy and money.

[5:00]

Specifically we have the example of a 300-acre assembly in the Kitchener-Waterloo area which was purchased in 1968 at a cost of \$5.25 million. Ministry officials slowly came around to acknowledging that some of this land may not be required for housing. In fact, the official Kitchener-Waterloo plan showed clearly that 2,000 of those acres would definitely not be necessary for this purpose. So ultimately the decision was made to return the land to individual owners to be used for the same purposes as almost 10 years ago.

The tragedy of this story can only be related by the individual owner-occupants, many of them farmers. They have been forced to operate as tenants under six-month or yearly agreements and have found it extremely difficult to make long-term decisions as to capital investments of any kind.

The Kitchener-Waterloo situation lists a dramatic Conservative flip-flop off the ground. In March, the current Minister of Housing is reported to have announced, a little apologetically perhaps, that there will be no return to massive land banking. "We have been severely criticized for that and probably with some justification," he said. It is good to see the minister has now joined a number of his colleagues in listening to the Liberal Party on these matters. Land banking, he adds, was seen as "the panacea some time ago. It isn't any more." We should all applaud the minister for that statement and for that dramatic turnaround.

Mr. Nixon: However belated.

Mr. Peterson: Now we enter the era of reprivatization with a subtle twist. To salvage some measure of return for the massive investments in land we have "reprivatization for profit." Twenty-three thousand acres of land will be sold to private developers during the next few years with a potential profit of \$180 million. In this matter, however, ministry officials caution us not to project long-term figures from the \$2-million profit expected in 1977-78. We shall be most interested to see the final number on that.

This new revenue will certainly be a welcome addition to the provincial coffers though

I fail to see how it will benefit the home buyer. Furthermore, it is hardly adequate compensation for the true costs of the government's ill-conceived programme. How do you account for the lost output due to uncertain tenure conditions in prime agricultural land, Mr. Speaker? How do you measure the actual cost resulting from serious disruptions in the economic and social lifestyles of individuals obliged by government fiat to relocate? What is the true price that the taxpayers have paid in terms of opportunity costs related to the tens of millions of dollars sunk into pie-in-the-sky ventures, dollars which could have been invested in employment-creating or socially-beneficial government endeavours?

In this, as in so many other areas, a public accounting of Conservative policies is long overdue. I trust that the government's acceptance of the resolution of the member for Wilson Heights before the House last week is a sign of things to come in this regard. I hope the government realizes the concern of my colleague, the member for Brant-Oxford-Norfolk, and other members of this Liberal Party, which has been voiced so often in the Legislature, is a sincere and deep conviction and will not diminish in the future.

Mr. S. Smith: The UTDC is another one like land banking.

Mr. Peterson: I want to talk about a failure in women's programmes, if I may. We are very much in favour of the programmes but when you see the investment of money and the results, I am sure you will share my disappointment, Mr. Speaker.

Women's programmes in most Ontario government agencies and ministries have been set up in response to a memorandum from the Premier in October 1973 initiating action on the green paper on equal opportunity for women. This is now known as the Affirmative Action Programme. Directives aimed at promoting the equality of women employed by the provincial government have been in place since 1974. Over the last three years we have been told that "the Affirmative Action Programme is oriented towards results rather than procedures"—that "visible, top-level support of an initial and ongoing nature is a key element for successful affirmative action," and that "care should be taken to ensure that the women's adviser in each ministry has the resources and authority needed to accomplish the task."

Over the three-year period we have seen the Affirmative Action Programme spend \$1,631,583 for a mere 130 "significant" advancements. This means an expenditure of

\$12,550 on each effort to promote the 130 women. Over half of the 1975-76 budget was spent on salaries of programme personnel.

While 28 ministries and agencies were directed to participate in 1974-75, only 16 actually did so; in 1975-76, 29 ministries and agencies should have participated but five failed to do so. Consequently, three years after its initiation, over 2,300 women are still untouched by the Affirmative Action Programme. In spite of yearly budgets of at least half a million dollars, the programme directives are not being taken seriously.

Does the Premier really have any hope, any intention, that this programme shall be a success? Even his own office has one of the worst records of all the ministries and agencies in the entire government. How can other ministries be expected to take Affirmative Action Programmes seriously when the Premier has contributed very little top-level visible support and involvement in his own office?

The status of women employed by the government of Ontario remains deplorable. In the Ontario Public Service there are 25,900 women employees. Forty per cent of them make under \$9,000 while only five per cent of the men make under \$9,000. Viewed the other way, 35 per cent of males earn over \$15,000 while less than six per cent of women employees do so. Predictably, any bracket under \$11,000 is over-represented by women. However, only 162 women earn over \$25,000 in the total government labour force of 68,225.

Women still hold 95.6 per cent of all office support—clerical jobs. Only 29 women out of a total of 743 hold senior management positions at the programme executive level and above. Gestures such as the Affirmative Action Programme, which appear to be more symbolic than real, will simply not suffice.

About 1.4 million women participate in the Ontario labour force. This represents 44 per cent of the adult female population and 36.8 per cent of the female labour force is self-supporting. The government has failed dismally to set an example to employers across the province in upgrading the status of women employees and providing them with equal employment opportunities and equal pay for work of equal value.

In many respects it would seem that there has been little change in the government's attitude to the question of women's equality since the spring of 1975 when the then Minister of Labour said that "society is not completely sold" on the concept of equal pay for equal work. At the same time he indicated

that in his opinion "the legislation now in effect does as much as society is prepared to accept."

Another example of a large budget with very, very few results. I don't call it waste, I just call it inefficiency and a failure to get the kind of results that are necessary.

I want to discuss regional government briefly, if I may. You know our party's position on regional government.

Mr. Foulds: No.

Mr. Peterson: I can take the next two hours to explain it to you, but I won't. I'll do it briefly.

The figures on the increase in local government spending in Ontario from 1970 to 1975 are very interesting. Regional governments' increase, 159 per cent; Metro Toronto, 102 per cent; the rest of Ontario, 65 per cent. Inflation affects all areas. Why does it hit the regions with disproportionate severity? One reason is that when local governments merged to form a region, all salaries and benefits were invariably increased towards the highest level existing in the area prior to reorganization.

Other reasons for the enormous costs of regional governments include: a tendency for salaries in regions to be higher, especially for senior administrators, than those paid in other comparable jurisdictions in the province; additional staff and temporary duplication of staff as a new bureaucracy is created; significant expansion in spending by lower-tier municipalities on services which remain in their jurisdictions; and a tendency for municipalities about to be reorganized to cut back on major capital expenditures—sewer construction and so on, for several years so that the regions can help pick up the tab. There has therefore been a surge of spending coincident with the imposition of regional government at a highly inflated cost. You can see those numbers anywhere.

The increase in spending is dramatic and in regionalized areas far outstrips the non-regionalized areas. Higher unconditional per capita grants and special grants and assistance payments are made to regional governments. Some \$24.1 million alone has been paid to the regions for organizational expenses and for the development of services on a regional basis. Another \$36 million has been committed to 1980 for this purpose.

Although each of the 12 regional governments cost Ontario taxpayers on an average an extra \$2.5 million per year, many residents of regional government areas do not

perceive the benefits which accrue from these costs. And that's the key. Indeed, many feel they are even more remote from local governments and decisions than ever. The concept and present structure of regional government must be rethought with a view to making them compatible with requirements of efficient government and the needs of the people.

I want to sum up and give you our suggestions, Mr. Speaker. You can see that I have mentioned a great number of policy areas and I think there are some common threads. I think we have to start with some government direction at the top in this area and I wanted to sum up with our specific proposals to deal with some of these admittedly complicated policy areas.

We recommend a programme of deregulation. This would function on two levels. At the first level it would look at all committees, boards, agencies, groups of every type under the aegis of the government of Ontario, to try to attempt to streamline, to try to attempt to demystify and try to attempt to bring some efficiency to this great myriad of agencies that surround it. We think in our judgement, this could be done with a committee of this Legislature on a non-partisan basis, everyone working together. We think we would be doing the people of this province a great service.

I think another great service we could do in this particular area is to have a deregulation committee, looking at all statutes and laws and regulations on the books in this province. It's incredible the number of things that sneak up on us year after year. We spend so much time creating laws and so little uncreating laws, and so many aren't appropriate any more. We think a conscientious effort should be made to deregulate and to that end we would be happy with a select committee of this Legislature to do that kind of thing.

I was very happy to see the Treasurer's suggestions about zero-based budgeting. Of course we've been talking about that for a while. We agree with that. Why we like it most is because it forces every agency, every ministry and virtually every person to re-examine in toto and fundamentally his function and his place in the structure of government on an annual basis, and we think that is a good thing.

We all are aware of stories of things just creeping and growing from their own momentum. We need this constant re-examination, and to the Treasurer I say that we support very strongly his management initiatives in those ways.

I have another suggestion that I think would be very worthwhile. Before any regulation or any law is brought into this Legislature to be passed for the people of the province of Ontario, there should be tabled with that law an economic analysis of all the implications of that law. Increasingly, a law that affects one aspect of the public body can have detrimental effects on the other one. I think it's important that before we get into new regulations and laws—and granted there's a great temptation to do that constantly—the government should be forced to table an economic analysis.

For example, in environmental law, what are the complete ramifications of adding five cents to the pop can? This study should be before us clearly so we can all study it and examine it, because frequently these laws become highly inflationary and they contribute to waste and inefficiency in other aspects of the system. I think in my judgement that would be a very good stricture that the government should put itself under.

We're very concerned, in looking at expenditure by month of the ministries, at the terrible abuses. Even with the Treasurer's attempt to launch a programme to bring discipline into government spending by ministry, the results are only marginally satisfactory. We find, for example, that theoretically expenditures should run about eight per cent a month of the total budget, but last year the Ministry of Industry and Tourism ran 30.7 per cent in the last month, Agriculture ran 24 per cent in the last month, and Environment ran 25 per cent in the last month.

What it says is, there are ministers jamming through their budget in the last month in order that they won't be cut off for next year. That's a natural human tendency; anybody in business faces that and anybody in government I'm sure faces that. I think the government has to bring more discipline into that area, I think it has to watch for those kinds of things, and I think it has to punish those kinds of ministers.

Mr. S. Smith: That's right. It begs for waste.

Mr. Peterson: One other specific suggestion I have in this area is more long-range planning, certainly in the area of municipal finance. I'm glad to see the Treasurer is projecting out to 1981. I suspect his motives, but I still think it's a good thing. I would like to see more specific planning on a long-term basis, because I think everyone will

gain from that kind of thing. If the Treasurer has some ideas and he forces his junior ministries to come to him with planning for a period of time—

Mr. Conway: Maybe they can hire John White.

Mr. Peterson: —I think he would get better results. Just coming back to the economic cost implications of all of the actions that the government undertakes, it is my judgement, looking at the Minaki Lodge situation, that nobody truly understood the cost of the actions they were undertaking because there was a shortage of information or whatever. Had they understood it, they probably would not have made the decision they have.

Mr. Foulds: No, they would have still gone ahead.

Mr. Peterson: I'm not sure; I'm taking the charitable view. You may be right. But I am saying, had the minister been fully briefed, had he and the cabinet and Management Board been fully informed of all the costs they may have made another decision. That's why I say, obviously the cabinet and Management Board should be fully informed of all potential costs. That was one of the recommendations of the public accounts committee, on which I sat—that clearly that same kind of logic should be brought into all new laws and regulations brought down by this government.

[5:15]

Mr. Foulds: Don't they have a local minister they should have kept informed of this?

Mr. Conway: They were building a palace for the governor.

Mr. Peterson: Mr. Speaker, I want to talk about a few more policy areas which I think are examples of not getting the maximum efficiency for the dollars spent, and I want to just briefly allude to some of them.

In the area of agriculture, this year's budget provides no assistance to one of Ontario's basic industries, agriculture, which generates hundreds of thousands of dollars in gross national product. There is no change of direction on the part of this government, no attempt to improve the viability of an industry which the Ontario Federation of Agriculture has estimated employs directly or indirectly some 400,000 people in this province. One-third of Canada's agricultural output comes from Ontario—for 1974, this

amounted to \$1.04 billion. Ontario farmers spent about \$1.6 billion on farm production items in 1974. The food processing sector employs 85,000 people in Ontario. The agricultural equipment industry had additional value totalling \$188 million in 1974 and employed 10,000 people in Ontario. Ontario farmers spend \$125 million to \$150 million on fertilizer and lime annually.

There is considerable potential for developing export markets for several Ontario farm products, and I have been involved in some of those myself personally. There must be an all-out effort by Ontario to pressure the federal government to change our outdated tariff structure.

We cannot overlook the fact that agriculture is an energy-intensive business. Energy prices and possible energy shortages are the big question mark for the future of agriculture in this province. Obviously, the government's objective should be towards energy self-sufficiency for farms; and I'm going to be talking about this a little later, because it's something we feel very strongly about in our party. But this budget does not include any mention of the programmes and policies which are necessary to maintain and expand the agriculture industry to ensure that our farming community and our food industry meet the demands and challenges of the modern technological era.

Mr. Riddell: It's time the farmers got some consideration from this government.

Mr. Peterson: I think if this government just listened to my good friend, my colleague from Huron-Middlesex, they would solve all the answers to their problems.

Mr. Riddell: Right on.

Mr. Peterson: I'll leave that for him for another day.

Mr. Riddell: We'll do that after the next election.

Mr. Peterson: I want to talk about mining, because when we talk about some of our resources industries we're in very serious trouble in this area. I know the Treasurer knows this and I know he's worried about it. I don't think he's done anything about it, to the best of my knowledge.

Mr. Bain: I wouldn't even say he's worried.

Mr. Ferrier: He hasn't done much for the gold industry.

Mr. Bain: If he was worried, he should have done something.

Mr. Peterson: For the first time since the Second World War, no new major mines are under construction in Ontario and there are no new mine openings scheduled anywhere in the province in the foreseeable future. Ontario's metal mining industry is in the fifth year of a slump.

A position paper prepared by the division of mines section of the Ministry of Natural Resources has found that an early important warning indication of the health of the metal mining industry in Ontario is the level of exploration activity. According to this indicator, Ontario can anticipate a continuing decline. Exploration expenditures in Ontario during the 1972-76 period were about \$15 million per year, compared with \$23 million in the 1967-71 period. No discovery leading to probable new mine construction has been made since 1971.

The position paper also found that the Ontario metal mining industry provides jobs for about 40,000 people directly and for many more indirectly, and produces directly about three to four per cent of the gross provincial product.

The position paper blames the decline in provincial exploration on burdens imposed on the sector by the Ontario and federal governments.

Given this deteriorating situation in the mining industry, and the Treasurer's own admission in a Globe and Mail interview that "It's disturbing; we really are relying on the resource industry to provide a certain number of jobs . . . and a certain amount of taxes too . . ."—he always get that in—"What may be needed now are incentives to encourage basic production rather than bonuses for refining."

Mr. S. Smith: Where were they in the budget?

Mr. Peterson: It is difficult, even impossible, to comprehend the total absence of measures in the present budget to reinforce and revive this essential industry.

Remedies include, in our judgement, revision of provincial mining tax to make the expected rate of return more attractive in relation to alternative investment opportunities. Ontario could influence federal attitudes to the industry by reviewing the effects of federal taxes in mining and making proposals on the most suitable combination of federal and provincial taxation.

Let me say in this regard, Mr. Speaker, my leader and I had a meeting with the mining industry about six months or so ago

to discuss this whole matter of taxation. I can tell you that they're upset; they think that, by and large, they've been treated reasonably fairly by the federal government. It's the provincial government that's fouling the whole thing up.

Mr. S. Smith: That's right. That's a wealth-creating industry.

Hon. Mr. McKeough: That's utter nonsense.

Mr. S. Smith: Nothing in your budget on that. Nothing

Mr. Peterson: Ontario could also influence the federal government to restore capital gains tax exemption for prospectors, provisions for 10-year averaging of income. Other solutions include negotiating a federal-provincial agreement on resource taxation with a reasonable ceiling on total taxation, establishing some stability in the tax system instead of continuous change. The present MEAP programme on specific properties could be expanded to more of the province, and the budget increased from the present level of \$500,000.

The Ontario government could carry on airborne geophysical surveys of geologically favourable areas, similar to those being done in Quebec.

An hon. member: That's right.

Mr. Peterson: Tax breaks should be given to people living in remote and unpopular areas, where expenses are considerably higher than in southern Ontario. We are very concerned about that and we try to be as constructive as we can so the Treasurer can—

Mr. S. Smith: Whatever happened to that OSC review—

Mr. Peterson: —go to his colleagues with our ideas for their consideration. We are continually falling behind in the regeneration of cut-over Crown lands in Ontario and I know my friends from the left, who sit to the right, have been very concerned about this—as have we and our northern members. Indeed, as have members from all over the province.

Years of Conservative mismanagement of cutting more trees than are replaced has led to a crisis situation. If no changes are made, forests will soon be unable to support the demand for wood. The government's Report of the Special Programme Review of November 1975 stated that "confirmed plans for industrial expansion will increase the total

consumption of roundwood in Ontario to an estimated 900 million cubic feet by 1980. Thus, Ontario will reach its projected 2020 consumption by 1980, indicating a need for an increased silvicultural activity at a level above the present implementation schedule.

Obviously, insufficient emphasis is being given to management and regeneration when only one-third of forested acreage is being actively regenerated. As Professor K. A. Armon recently stated in a report to the Ministry of Natural Resources, Forest Management Ontario 1976—I quote: "In view of the impact of restraints which have been imposed by the provincial government, it has become imperative that a strong reiteration of support be made for the forest production programme if it is to proceed."

The government must make a commitment to sustain regeneration of all cut-over lands. Adequate financial support is essential if the forest management programme is to develop. However, no such commitment has been made by the government. In fact, in the current period, there's every indication that present government support—both money and staff—is greatly falling behind the production policy objectives in terms of the area given regeneration treatment. The situation was made even more serious by the increase in cut areas.

In 1974-75 reforestation operations on all lands cost \$7.8 million out of a total forest management expenditure of \$28 million. Revenues from stumpage and protection charges for the same period were \$830.6 million. Spending only 22 per cent on regeneration, the government has thus spent on the whole forest management section less than it received in taxes from the forest industry. Last year the Minister of Natural Resources himself described the present provincial reforestation programme as inadequate. He stated, "It is true that there has been a gap between the amount of area requiring regeneration and the amount that is being regenerated." In 1974, this difference was about 170,000 acres.

The government's forest management programme is outdated and inadequate. The inadequacy of the present provincial tree-planting and regeneration programme is aptly demonstrated by an analysis of the figures from the Ministry of Natural Resources annual reports.

In 1972, the area of cut-over Crown lands was 345,000 acres. The area regenerated by silviculture treatment was 167,000 acres—I'm leaving off the decimal points, Mr.

Speaker. In other words, 178,000 acres were left unregenerated.

In 1973, the area regenerated by the ministry was 165,000 acres. No figures were given for the number of acres cut over and in need of regeneration, but it is interesting to note that this figure is below the number of acres regenerated in 1972, while wood cut in that year had increased.

In 1974 the number of acres requiring regeneration was 271,000 acres. The Ministry of Natural Resources, however, regenerated only 145,000 acres; again, 126,000 acres were left unreforested.

In 1975 we had a record number of forest fires and 42,000 acres of forest land were destroyed. In 1976, we faced the worst ever total number of fires—3,946, a high of more than 1.3 million acres of forest burned. For the 1977 season there is already the likelihood of an even worse year. Already this year, there have been 84 forest fires.

The present level of government action is totally unsatisfactory and will not achieve the production target objective for cut-over lands. As Professor Armson has concluded, "There does appear to be a question as to the relative degree to which a productive programme with long-term economic consequences should be reduced in a period of fiscal restraint to the same extent as other administrative or regulatory programmes."

The forestry industry in Ontario, now at a watershed mark in terms of its future productivity and ability to generate profit, accounts for more than 60 per cent of employment in northwestern Ontario and for more than 65 per cent of the value of goods shipped from the region. Forestry and its related enterprises account for 20 per cent of the jobs and 15 per cent of the value of goods produced in all of northeastern Ontario.

In Sweden, the forest industry has always received a high priority in assessment of economic development. There is an institutionalized system for periodic re-evaluation, which allows shifts in taxation policy when and if necessary.

Mr. Bain: Good old free-enterprise Sweden.

Mr. Peterson: In terms of taxation, the government sets the viability of the industry as its main objective.

The Ontario Forest Industries Association, in February 1976, called for a comprehensive study to determine whether the current level of taxation was consistent with the industry's

ability to pay. In light of recent experience, this request has considerable merit.

Mr. Bain: Those socialists sure know how to grow trees.

Mr. Peterson: In 1974, the pulp and paper sector produced \$1.3 billion in products. The overall forest industry provides 75,000 jobs, and has an annual payroll of \$700 million and total revenues in excess of \$2 billion a year. Within a decade or less, the forest industry may be unable to meet the demand for timber.

The pulp and paper industry is probably the most energy-intensive of the province's manufacturing industries, accounting for between three and 10 per cent of total operating costs of forest-based industries in Ontario. Energy costs are imposing a significant burden on the industry. Testimony before the Ontario Legislature's select committee on Hydro last year indicated that the pulp and paper industry provided, perhaps, the greatest opportunity for meaningful conservation. What is needed is a government commitment, perhaps the setting up of a task force, to initiate research and special incentives.

Such an approach was undertaken in Sweden, when the government became concerned over the fate of the forest industry. In 1975, the National Swedish Industrial Board was entrusted with the task of re-shaping the pulp and paper industry to make its energy use more effective. The National Swedish Industrial Board's mandate was "to pinpoint energy consumption and to assess what technological methods and other measures were available in the short and medium term for rationalizing utilization." Given a comprehensive programme of saving, it has been estimated that energy consumption in the Swedish pulp and paper industry can be reduced by seven per cent over the next five to 10 years.

In contrast to the forest tenure system in Ontario with its long-term contracts and cutting rights over huge tracts of land, the Swedish system emphasizes short-term arrangements and private competition. I think that's very meaningful at this particular time.

Mr. S. Smith: Did you hear that, NDP? There's private competition in Sweden.

Mr. Peterson: Excuse me, Albert, don't steal my speech.

Mr. Roy: How are you making out?

Mr. Peterson: We're getting through.

Hon. Mr. Handleman: Is it worth stealing?

Mr. Roy: There's a lot of good stuff. You should be making notes.

Mr. Gregory: When are you going to start on the telephone book?

Mr. S. Smith: I'm sure you don't know one number from the other, member for Mississauga-whatever-you-are.

Mr. Peterson: I want to talk about education because it relates so fundamentally to many aspects. I think it's important to put it in perspective in the economy—where we're going and how we're going to get there—because our future so relates to what we're doing with our young people today.

In 1970-76, the Ministry of Education experienced an average annual percentage increase in expenditure of 12.1 per cent. Expenditures increased 13.3 per cent in 1974, 11.3 per cent in 1975 and 11.8 per cent in 1976, despite the decreasing enrolment. In 1976, the ministry overspent its budget by some \$20 million.

Mr. S. Smith: If there were no more students in the world they would be still increasing their expenditures in that ministry.

Mr. Peterson: Many people in Ontario question whether the enormous amount of money spent on the education system is money well spent. Education expenditures were almost \$2 billion in 1976, and proposed 1977 expenditures amount to \$2.1 billion.

Mr. Conway: People at TV Ontario think the Treasurer is "hard-nosed."

Mr. Peterson: I can't speak to that. Leslie Frost, when he was Minister of Education, used to proclaim that this province had the best system of education in the world. No one contradicted him then because it seemed self-evident.

When the present Premier became Minister of Education he acquired responsibility for a school system of which the people of Ontario were justly proud. It was a system that operated efficiently, the students were urged to strive for excellence and graduates who accomplished this successfully met tough and fairly defined standards.

Under the aegis of the present Premier, education costs soared and the general public became increasingly concerned about the standards of education of our young people. All too soon it seems that uniform, reliable standards disappeared, province-wide examinations were abolished in 1967, and students

graduated from the system with widely varying abilities and levels of knowledge. We are very pleased in this party that the government now appears to be paying some attention to the pressure from the general public and, I say with a great deal of pride, from my leader in the Liberal Party.

[5:30]

Mr. Bullbrook: Changing things around singlehandedly.

An hon. member: Maybe they will teach the government how to count.

Mr. Peterson: It was interesting when we released our paper and the minister weaseled out of his office with his wet ink and called a quick press conference to tell his story—and you know something? Some people in our party were upset about that. I really didn't mind because we are willing to help the government all we can.

Mr. Ruston: You need a lot of help.

Mr. Peterson: I think that part of our job is to share our ideas with the other side. We hope the government will adopt them and I want the Treasurer to feel free—when this whole speech is finished, I won't be a bit embarrassed if he takes it home. I know he is going to reread it tonight after he goes home, but if he adopts every single one of these policies tomorrow morning, I won't be a bit offended. I won't even take any credit and I will come and help him do it.

Mr. Bullbrook: Isn't that generous?

An hon. member: That is what minority government is all about.

Mr. S. Smith: It is more than fair.

Mr. Peterson: The Treasurer is losing his sense of humour. He has been hearing too much of this stuff.

Subsequent refinements of the education system which the minister has made indicate that he has already read our policy carefully. Imitation is the sincerest form of flattery. We must feel complimented that the minister is following our advice.

The education system in Ontario is financially supported by the people in the belief that a literate, skilled and articulate population is vital for the well-being of this province. Our schools have a very important role to play in providing our young people with the skills they need to become productive members of society, as well as informed citizens.

Ontario is suffering from the worst unemployment in years. Some 15 per cent of the labour force under 25 years of age are unemployed. Graduates of Ontario's expensive post-secondary educational system are experiencing great difficulty in obtaining the jobs for which they have trained, or indeed any job at all.

Dr. Rodney May, Assistant Deputy Minister of Labour, recently pointed out the shortage of trained personnel in certain industrial fields. According to Dr. May, Ontario needs 350 occupational health nurses, 270 occupational hygienists and 250 safety engineers.

Since the beginning of the 1970s, there has been a poor labour market for highly qualified manpower. Despite this fact, post-secondary enrolment in Ontario, both full time and part time, has continued to increase every year. No relief is in sight for the growing oversupply of young graduates. Current policies in Ontario will do little to stimulate the demand.

Most high school students still aspire to white collar jobs, although opportunities are limited and likely to remain so. Neither the high schools nor the post-secondary institutions of Ontario cultivate the qualities of entrepreneurship—and I am going to deal with that later because that's something this government has removed and not fostered in any way in this province.

Mr. S. Smith: That's right. They are responsible for a decline in the free enterprise ethic.

Mr. Peterson: Career counsellors appear to do little to redirect student aspirations, to channel them into the blue collar skilled labour, service and entrepreneurial jobs where a demand for workers exist and will continue to exist. It would appear the system can neither create enough jobs for the young nor provide them with the skills and values which would help them to create their own opportunities.

The number of potential workers with post-secondary education, seeking higher level white collar jobs, is growing far more rapidly than the supply of such labour. On the other hand, a future labour shortage in various blue collar occupations is a very real possibility. In the past, these blue collar labour requirements have been met through immigration. It will be difficult to sustain the required levels of immigration if we have a large number of well-educated young people with high expectations but with few employment prospects.

Little attention has been given to the potentially socially disruptive consequences of youth unemployment and the very real prospect of relatively highly educated young people accepting jobs below their expectation levels, in the process displacing other, less educated workers.

There is a need and a very basic need for a fundamental reassessment of the link between the educational system of Ontario and the present and future requirements of the labour market. Many things could and should be done.

Stimulation must be provided to create employment opportunities for the young. We need research and development of "knowledge industries" in Ontario, which would employ some of our highly qualified manpower in a meaningful sense. Work study programmes should be established to facilitate a smoother transition between school and work.

A thorough reassessment should be made to clarify exactly what we are getting for our education dollar, particularly in the field of post-secondary education. Serious attempts must be made to provide forward-looking rather than purely reactive policies, bearing in mind the social and economic disruptions which lie ahead, if we continue as at present, rather than adapting to modern day realities.

I want to talk about housing because it's of very serious concern to us.

Mr. Conway: Certainly to the member for Carleton.

Hon. Mr. Handleman: You can see me listening with great attention.

Mr. Conway: Have you got that rent control digested?

Hon. Mr. Handleman: Absolutely.

Mr. Peterson: In the four years since its creation, the Ministry of Housing has experienced an annual increase of 85.2 per cent in expenditure; 91.8 per cent in 1974 and 180 per cent in 1975. In 1976 the expenditures actually decreased \$2 million to \$169 million.

During the years of the enormous spending increases, Ontario was not producing anywhere near the 100,000 annual starts deemed necessary by the Comay report. Indeed, in 1974, the year expenditures rose by 91.8 per cent, urban housing starts in Ontario dropped by 29 per cent; and the following year, when expenditures rose by double that amount, urban starts fell by an additional 5.7 per cent. In that same year, starts rose nationally by 7.3 per cent.

Mr. Bullbrook: Kind of an inverse ratio.

Mr. Peterson: The member for Carleton agrees with me.

Hon. Mr. Handleman: They were catching up.

Mr. Roy: Catching up?

Mr. Conway: The member for London North has been writing the minister's speeches.

Mr. Roy: It's not obvious from the budget that you're catching up.

Hon. Mr. Handleman: They were catching up with us.

Mr. Peterson: It is evident that the funds allocated to housing programmes are not being properly channelled. The lack of affordable housing, and particularly of multiple dwelling starts, in this province is deplorable, and I earlier read the current figures into the record. However, I fail to see how a decrease in expenditures will solve the problem.

The Treasurer would have us believe that we suffer from an excessive inventory of unsold housing units. What we truly suffer from is a serious lack of affordable housing. This year the government is predicting a drop in housing starts of 4,700 units to 80,000 units and since its predictions are normally overly optimistic, and the more reliable Conference Board forecasts only 72,800 starts for Ontario in 1977, we can assume the shortage of housing units will continue in Ontario. This situation is intolerable. Efforts must be made to use expenditures effectively, to get serviced land on to the market more cheaply and more quickly, to streamline the municipal approval process, enabling municipalities to play their part in providing affordable housing.

The government's so-called housing policies have been a complete failure. No attempt has been made to live up to commitments to provide suitable and affordable housing for the majority of our citizens. In the two-year period, 1973-74, the Ministry of Housing failed to take advantage of some \$103 million made available to it from the federal government under CMHC funding arrangements.

During the last election campaign, the Premier himself got into the act, when he promised help with mortgage rates—a yearly allowance of up to \$500 to reduce interest charges on residential mortgages over 10.25 per cent.

Mr. Roy: Yes. Whatever happened to that promise?

Mr. Peterson: He was hardly off the campaign trail before he abandoned the idea.

Mr. Conway: Promise the moon and deliver a thin slice of rancid cheese.

Mr. Peterson: The average home buyer is still faced with an enormous initial capital outlay, followed by years of bondage to high monthly mortgage payments. As if the situation isn't bad enough, the government has placed municipalities in a position where they are literally forced to substantially increase property taxes.

The president of the Canadian Institute of Public Real Estate Companies has pointed out that "the real estate industry, more than any other segment of our society, has been plagued by federal, provincial, regional and municipal intervention and layers of red tape. We have witnessed first hand [he said] the costly delays in registration of plans of subdivisions the proliferation of hearings . . . the duplications of approval procedures . . . and the excessive and frequently nonsensical controls and restrictions. This regulatory 'overkill' has more than anything destroyed the Canadian dream of home ownership by pricing it beyond the reach of the average family through the additional costs of unnecessary government interference."

Let me state this very strongly: Our party believes in home ownership. We believe that everybody should be put in a position to be able to have a stake in this community. "No other activity of this government would contribute more to the stability and security of our towns and cities than extending the right to home ownership to a far broader sector of our population. Our society is based on the concept of a small property-owning democracy. Opportunity for equity build-up, security of tenure and an economic stake in the community must remain a viable option for Ontario families." My leader has said that many times, Mr. Speaker, and I can tell you that all the members of this caucus support him completely.

The means must be found to offer more initiatives for the construction of housing units, through start-up and tax incentives. Possibly lower-cost subdivision servicing standards should be developed and encouraged. Increased provincial funding is necessary for trunk servicing of sewers and water supply in co-operation with municipalities.

The government has now yielded to our continued pressure to get out of land-banking, but has not yet taken up our suggestions for land servicing, which we have brought to its attention on many occa-

sions. We also need a land inventory showing which land is serviced, land which is close to services, and land which is capable of being serviced. Bureaucratic red tape must be, if not eliminated, at least drastically reduced. Faster decisions on zoning, site-plans, and subdivision applications are vitally important. We have pointed out in the Legislature only recently, Mr. Speaker, how we could assist in the unemployment problem in this province today by creating jobs, by accelerating the planning procedure. We have called for that, and still no action.

Provincial sales tax should be taken off residential building materials, or at least offset with grants to purchasers of new homes.

We need a province-wide development plan, within which local land use plans can be established and implemented without constant interference from Queen's Park. Rather than initiating grandiose plans for new towns, existing communities should be encouraged to expand. These already have sewage, water, schools, churches, recreational facilities, and so forth.

One aspect we must never overlook in our search to find solutions to the housing problem is the need to preserve our agricultural land. Housing should not be built on prime agricultural acres—there is plenty of less desirable land, and we must evolve new land servicing methods that will make this land accessible for housing development. On this point, as an authority I would like to quote my friend Charlie Farquharson, Mr. Speaker, who says, "Ontario is becoming a place to stand, but there's no place to grow."

Because of the present tax assessment procedures, there is a tendency to build houses which are too large, too expensive and—in view of the energy situation—too costly to heat.

Mr. Bullbrook: What are you shaking your head about?

Hon. Mr. Handleman: He is wrong—the member for Parry Sound objects.

Mr. Peterson: It has sometimes been suggested that municipalities engage in assessment planning by adopting defensive servicing and zoning standards. At last year's community planning conference, the Deputy Minister of Housing said that "municipalities are planning communities of such high standard that more than 50 per cent of the people in Ontario cannot afford to live in them."

Property tax has for years been an excessive tax burden at the local level. This tax is utilized to finance a large proportion of the

soft services, such as social service programmes, schooling and recreation. As a result, land is viewed in terms of tax capacity. Obviously, it is no simple task to develop alternative sources of finance for municipal soft services, but an adequate supply of affordable housing cannot be realized easily if high property taxation continues.

We must bring competition and free enterprise back to the housing market. An increase in serviced building lots would accomplish this to some extent, and would encourage smaller builders to enter the field.

Possibly the key to achievement of a reasonable price level for single family lots is the establishment of a massive land servicing programme in the environs of our cities, towns, and villages. The government has formerly spent hundreds of thousands of dollars on land banking. Instead, it should spend the same amount of money on the provision of water and sewage trunks and to streamline the subdivision approval process, to encourage an over-supply of lots on the market.

In short, then, the provincial government should concentrate on the provision of more serviced land in co-operation with municipalities and reduce red tape which slows down approvals, raising housing costs as developers hold land for an excessive length of time. We must encourage reasonable expansion of communities which have already installed hard services, and make adequate provision of soft services, instead of building new towns. Standards should be made more flexible, so that, for example, septic tanks can be used where conditions rule against sewers. Incentives should be provided to municipalities to encourage development of a variety of housing, geared to the needs of poorer families and senior citizens.

Mr. Speaker, again I give that to the Treasurer to take to his colleague, the Minister of Housing, with our blessings and hope he will institute it tomorrow morning. Thank you.

I want to talk about Industry and Tourism, because it's a big concern to us.

Mr. Conway: The minister is something more of a concern. Maybe now that he is married he may straighten out.

Mr. Peterson: Well, it hasn't straightened out the rest of him.

The Ministry of Industry and Tourism has experienced average annual increase in expenditure of 12.4 per cent in recent years. In 1974 and 1975 percentage increases in expenditure were 42.3 per cent and 37.8 per cent; in 1976 expenditures were forecast to

increase an additional 23.5 per cent. In spite of these increases in expenditure, business failures in Ontario, as a percentage of the national total, rose from 34.8 per cent to 50 per cent during the period 1970 to 1976.

That is to say, in the years of heavy expenditure, namely 1974 to 1975, bankruptcies rose from 39.9 per cent to 48 per cent of the national total, rising to 50 per cent the following year. Some 80 per cent of the business failures in Ontario were in the construction, trade, and service industries, all of which are labour-intensive industries which must not be allowed to flounder.

Funds allocated to Industry and Tourism are expected to remain unchanged in 1977. We have, in this particular connection, a small business policy that I am going to discuss with this Legislature a little later. But we think that is one of the answers when we are faced with very serious deficits in terms of balance of payments with respect to our tourism. We think that we have a real plan to help the independent operator in the tourist business, and I will be discussing that a little later, if I may.

[5:45]

Mr. Conway: We used to have the Premier's face in Times Square.

Mr. Peterson: I want to talk about decentralization. It is a very, very, very important belief that the Liberal Party has. It pervades all our thinking in many policies. We are strongly committed to decentralization of government, of expenditures, of decision-making, and particularly of industry. I want to talk about this programme and lay before the House our suggestions in this particular area.

We think, frankly, all the forces have been conspiring the other way in this province. All the forces fed by the government of this province have been to draw growth and draw people into Toronto and the Toronto area, and to centralize all the things but we think the time has come to reverse.

The government has talked about decentralization a great deal, there's no question about that and so far we've seen very little result. Clearly the time has come when we must give urgent and serious consideration to effective methods of decentralizing growth in our cities and industrial areas and encouraging development in the rest of the province. We can no longer ignore the need to evolve some system of developing balanced growth throughout Ontario.

Obvious to anyone who travels at all, and all the members of this House do, are the

glaring discrepancies that are visible to the naked eye as one travels about this province between the southwest and the north and east.

In the past, Ontario's population was concentrated to a large extent on urban centres in the central and southwestern portion of the province. These centres have become surrounded by sprawl, which results in high servicing and transportation costs, the loss of irreplaceable farm lands, pollution of our environment, misuse of energy resources and the destruction of unique landscape features. The notion that Ontario is a land of limitless space is a myth for most of us today.

Today, nine out of 10 residents of Ontario live in the southern part of the province, which has an overall population density higher than that of India—nearly 170 people to the square mile. By contrast, we have seen lack of growth, economic stagnation and decline of many rural areas, particularly vast regions of northern and eastern Ontario. Nor are these trends expected to change in the foreseeable future. According to TEIGA documents such as Ontario's Changing Population, published in March 1976, central Ontario will continue to increase its proportion of the province's population while every other region's will decrease.

Of the six major cities of the province, all except Ottawa are located in southern Ontario. These cities are expected to increase their proportion of the total provincial population from about 60 per cent to about 80 per cent by the year 2001. By contrast, most of the counties of eastern and northern Ontario will experience net migration losses.

Closely related to population changes are job opportunities in the various regions. Employment in central Ontario increased from 57 per cent of the provincial total in 1951 to 62 per cent in 1971. Nor is there any indication that the rate of concentration is decreasing.

There is a widening gap between different parts of Ontario with respect to economic opportunity, population size and lifestyle. The difficulties and dangers involved in living in a political jurisdiction with sharply divided identities, values and concerns are well known to us all. Yet the Progressive Conservative government has done little to resolve this problem.

In 1966, the then Premier, John Robarts, introduced a policy statement known as Design for Development, which ostensibly had as one of its goals a more equal share of growth for all regions of the province. More than

10 years later we are still moving in the opposite direction, increasing growth and opportunity in certain regions at the expense of others.

A study of northern Ontario development published by the Ontario Economic Council in 1976 shows the objective of decentralizing economic and population growth to the northern and eastern regions of Ontario is not being achieved. In northern Ontario, for example, there has been a relative decline in the labour force tied to the two primary resource industries—forestry and mining, which we have discussed earlier. The population growth has been slower than that of the province as a whole, incomes tend to be below the provincial average, and the level of common social and cultural amenities is acknowledged to be low.

The second focus of provincial regional development policy was to be the containment and structuring of growth in the Toronto central region, where pressures to expand in the form of urban sprawl were the greatest. Yet growth has continued to concentrate in the area west of Metro and expectations of eastward growth have not materialized.

Mr. Conway: That's obvious.

Mr. Peterson: Agricultural land and recreational facilities in the vicinity of Toronto have come under relentless development pressure. Water quality in the Great Lakes, the Kawartha Lakes and particularly Lake Simcoe has been deteriorating. Both the provincial COLUC task force report, published in 1974, and a recent publication by the Bureau of Municipal Research have concluded that little has been done to reduce the problems of increasing sprawl in the Metropolitan Toronto area.

In April 1976, TEIGA released a document entitled Ontario's Future Trends and Options, as a further development of the Design for Development concept. The report shows that the same population employment trends which resulted in original concern about the need for regional development in 1966 had intensified by 1976. Why did the government publish a document in 1976, undoubtedly at great cost and bureaucratic effort, which merely repeats the need for corrective measures, a need which was recognized 10 years earlier?

Mr. S. Smith: It is a poor effort to pull the wool over the eyes of the people.

Mr. Peterson: Two of the major regional development thrusts of Design for Devel-

opment were the dispersal of economic growth and development of the lagging regions of Ontario by the containment of sprawl, and by the sound staging of growth in the Toronto area. Neither of these have been achieved in the 10 years since the programme was first announced.

Closely related to any regional development strategies are provincial development strategies. In 1974 it was announced in the House that a provincial land-use plan, an important component of a provincial development strategy, was about to be produced. Such a provincial strategy is essential to provide guidance to local and regional planners and to give us all some indication of where various types of growth are to be encouraged. No overall provincial strategy has yet appeared.

The trends and options statement maintained that the provincial government does not have an entirely free hand in determining the rate of development in various parts of the province. However, through various measures, the government could have a much more positive influence in the decision of where we choose to live.

Consider the location of government offices and services—and this is where in my judgement, the single biggest failure has been. This government is the biggest employer in the province. It has the most money. It could have spread that growth out all over the province. There is nothing more stabilizing in a community than even a small civil service payroll which tends to be mobile; it has a profound ripple effect throughout a community. And the government has failed.

Mr. Conway: You have sent Leo Bernier north of the pork barrel.

Mr. Peterson: This could have been done. Only recently has the government announced its first tentative move to decentralize the ministries in what it considers a meaningful way. These steps are inadequate both in scope and magnitude. They are just a pale start.

Some 1,650 civil service jobs in Metro Toronto are to be relocated in Kingston and Oshawa, as part of a move by the province to go east. Imagine, as far as Oshawa. Very inspiring to the citizens of eastern Ontario. The head office of OHIP division of the Ministry of Health will move to Kingston, involving the transfer of more than 900 jobs; but moving the head office of the Ministry of Revenue to Oshawa will probably only mean that some 750 employees will commute. This is really not solving the problems that it is

designed to solve. In three or five years Toronto will be there anyway.

Virtually all the government operations being transferred will remain fairly close to home at Queen's Park.

With regard to government agencies the sincerity of the commitment to rationalize and decentralize government services is also dubious when one considers that of the 344 government agencies no fewer than 274 are located right here in Toronto; and even those services which would appear to be decentralized relate to titular appointments to boards of governors and public institutions. Regional boards of health are the only ones that have worked.

By way of illustration, such agencies as the Agricultural Tile Drainage Licence Review Board, the Dairy Herd Improvement Advisory Committee, the Farm Products Marketing Board, the Ontario Apple Marketing Commission and the Ontario Cream Producers' Marketing Board are all located in Toronto, which, while prosperous, can hardly be considered the fertile agricultural heartland of Ontario.

Mr. S. Smith: There really is no excuse for that.

Mr. Peterson: To cite another example: The Natural Resources Advisory Committee for the north-central and northeastern regions are both located in Toronto, as are such urban-related agencies as the Game and Fish Hearing Board and the Crown Timber Board of Examiners. This just doesn't make sense.

The Liberal Party has for years been calling for decentralization; and I repeat that. In our judgement there should be a freeze on growth of the civil service in Toronto. It should immediately be looking outward. Rent out some of the office space the government has here.

My principle objection to that famous old Hydro building—and you will recall the issue, Mr. Speaker—was the fact that it was located where it was. Why do we need to bring in those thousands of people who work down there, creating pressures on urban transportation? Every time that number of people are brought into an urban setting it causes many more problems. The building could have been located in many other areas in this province. In my judgement, it was very bad planning.

Mr. Speaker, do you want me to carry on for another four minutes? What is your judgement on that?

Mr. Speaker: It was my understanding that the hon. member had until 6 o'clock.

Mr. Peterson: Okay, I will continue. I want to speak about some of the inequities in terms of municipal financing in this province.

The tri-level conference held in Edmonton in October 1973: John White, Treasurer at the time, said, "The Ontario government, therefore, gives this guarantee to its local governments—provincial assistance in future years will grow at a rate not less than the growth rate of Ontario's total revenues."

From this statement it would seem that to pass on to the municipalities any amount below the provincial gross rate of revenue is contrary to the government's commitment. However, the amount of funds that should have been transferred to municipalities was reduced in 1974 by \$99 million and in 1976 by \$22 million. The provincial government claimed that due to an overpayment in 1975 it did not need to give municipalities the full growth rate in revenues of 14 per cent in 1976. By granting an eight per cent increase in 1976 it felt that because of the previous overpayment, it was, on a cumulative basis, adhering to the Edmonton commitment.

The confusion surrounding the Edmonton commitment has resulted from the interpretation of the guarantee which I have quoted, particularly the words "not less than" with regard to the amount of the revenue transfer. These words appeared in the original version of the position paper on public finance presented at the conference; were deleted entirely in the summary of the same document; appeared again in a statement in the Legislature, and were once more deleted in their entirety in the 1974 budget statement. The government's inconsistency in wording led to different conclusions about the extent of the revenue transfers on the part of the municipalities and the province.

Mr. S. Smith: Quite purposeful.

Mr. Peterson: In a statement in the House on December 11, 1975, the Treasurer set out the provincial position which was: Moneys due under the Edmonton commitment represent the maximum amount of moneys which may be transferred to local government; and further that the commitment should be interpreted to mean moneys due on a cumulative basis. The municipalities, on the other hand, felt the commitment represented a minimum level and therefore rejected the argument that transfers be calculated on a cumulative basis.

Despite pious words about its support of local government, the provincial government

would have been the ultimate beneficiary of the Edmonton commitment' however interpreted. By applying its own interpretation, it has benefited that much more.

In the position paper, John White made the following revealing statement: "Ontario's own fiscal capacity is increasing about 10 per cent per year, in keeping with the growth of the economy. This growth rate enables Ontario to finance its own programmes, but does not provide the capacity to cover increasing municipal deficits. In the period 1970 to 1973, assistance to local government grew 50 per cent, while Ontario's total revenues increased 35 per cent. The net result has been that the province has increased the size of its own deficits to cover the local financial deficiency and prevent mill-rate increases."

Prior to the Edmonton commitment, transfers to local government were increasing at a higher rate than the increase in Ontario's total revenues. By limiting the future rate of such increases to "... the rate of growth of the total provincial revenue," this commitment had the effect of reducing the rate of increase in transfers to local government.

The municipalities, and by extension property taxpayers, have been the ultimate losers. At the present time, by its own calculations, the government owes the municipalities \$108 million in transfer payments. The province has not fairly dealt with these municipalities. Its much-heralded advance presentation in September to the municipalities of its 1977 transfer intentions is simply not enough.

The province should undertake a three-year commitment of funds to municipalities. This would allow them to plan and to set their own priorities, rather than forcing them to respond in an ad hoc fashion to provincial decisions. A multi-year provincial plan, something this province has long been in dire need of, would assist municipalities in ordering their priorities.

Mr. Speaker: Would this be an appropriate place for the hon. member to break his remarks? I understand, though, there has been a later agreement which I had not been informed of earlier that he will continue at 8 o'clock.

The House recessed at 6 p.m.

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Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 26, 1977

The House resumed at 8 p.m.

BUDGET DEBATE

(continued)

Mr. Peterson: I trust everyone enjoyed his little break, Mr. Speaker. I know I did.

I want to finish up with a few other areas that are of great concern to us and I'll try not to take any more time than I have to. One of the things that had been bandied around and deferred on almost a constant annual basis is the whole matter of property tax reform in this province. Perhaps the most blatant example of government waste and lack of return for dollars spent is the three commissions appointed to investigate, to make recommendations and reform the property tax:

The Ontario committee on taxation under Smith dealt extensively with property tax reform in 1967.

Taxation in Ontario, a programme for reform under John White, did the same thing the following year. Neither of these reports has ever been acted upon, although the need for reform remains acute.

In May 1976 the government appointed yet a third commission under Willis Blair with the same intent—to study property tax reform based on the proposals put forward by the government in budget paper E of the 1976 budget. Again the government is stalling. As the Treasurer (Mr. McKeough) conceded in an interview after the Blair commission report early in March, there is virtually no chance of implementing a province-wide system of taxation based on market value assessment as scheduled next year. One can speculate as to the reasons why. However, the Treasurer supplied the best one himself when he said that basically we are dealing with something that affects 3,500,000 property owners in this province. I can think of few issues that are more potentially explosive in a political sense or any other sense you want to name. That's a lot of voters and many more are affected and concerned, and the issue is most definitely explosive. The citizens of Ontario are angry at many of the proposals.

If the Premier (Mr. Davis) is still fishing for an election he may be interested in look-

ing at the Blair commission proposals on budget paper E. I was just reading tonight over dinner a speech that the Treasurer gave at 1 o'clock this afternoon, talking about honest politicians, dealing honestly with the issues that faze us. This is a perfect example of an inability and an unwillingness to face up to real issues. We've seen these deferrals for almost 10 years now and depending upon the political climate at any given time, I don't look for any action in the near future. But more of that speech in a little while.

I want to deal with budget paper E and the Blair commission report. As the leader of my party said of both the proposals and the report:

"The whole thing is a misguided, tangled, and futile exercise which should never see the light of day. It fails to address itself to the real problem which is the sickness affecting municipal financing today—a sickness that is almost terminal. Municipal financing needs rejuvenation, not tinkering. The government fails to understand the nature of the problems which face the municipalities. We need municipal diversity and autonomy. Instead, the government seems determined to create a whole series of games and amusements for bureaucrats. The use of market value as the standard for property taxation is completely arbitrary. We do not believe in it, and we feel that other standards of comparison between communities, based on per capita income, would make far more sense. Furthermore the municipalities need a share of other taxes more than they need adjustments to property tax."

As we stated in our brief to the Blair commission, the government has put the cart before the horse. The property tax proposals represent yet another case of government action taken without careful and thoughtful planning. The uncertainty that has surfaced in much of the discussion of the proposals across the province is attributable to the lack of in-depth studies on the effect of the imposition of the proposals will have on specific communities.

Detailed assessment figures should have been released prior to the commission hearings. Municipalities would then have had an opportunity to assess them and to determine

if major shifts in local taxation would occur. Such shifts would of course affect local planning and priorities. Concerned groups have not had available to them the data necessary to them to evaluate and comment upon the new system.

With regard to proposal number one, taxes on residences, which the commission concurred with, we feel that only detailed studies will yield the appropriate percentage of property tax which residences in Ontario should bear, and we know the government has not undertaken such studies. The municipality is the level of government best equipped to determine what percentage of tax load should be borne by residents and what percentage by industry. It may well be best for the tax rate to be set at the municipal level so it is flexible and can vary according to commercial and residential tax bases available in each individual community.

The commission's recommendations concerning proposal number two, especially as it affects golf courses, are a small improvement on the government's original proposals, which would have put many golf courses out of business. We believe golf courses and other open recreational spaces deserve encouragement and protection and should not suffer at the hands of this new proposal.

Proposal number four on farms and managed forests stated that farm land, farm buildings and managed forests be taxed at 100 per cent of market value and that those taxes be paid by the province.

It is evident from the objections being raised loudly and clearly across the province that farmers do not want the province to pay their taxes. As responsible members of the community, they feel it is their responsibility and duty to contribute a fair share through tax dollars.

Further, many feel payment of taxes by the province is tantamount to government control of their land, that their status as independent businessmen is being constantly eroded, and that this trend could ultimately lead to the government dictating what and how much is to be produced. Farmers are also sensitive to the notion that may arise among the non-farming public as a result of the implementation of this proposal, that farmers are a heavily and perhaps over-subsidized group in society, a privileged group. Such a notion is simply untrue.

As a response to the outcry on the part of farmers to this proposal, the commission recommended that the farmers pay 10 per cent of the property tax on the above-mentioned properties and that the remaining

90 per cent be paid by the province. To us, this is ridiculous. Whether the government pays 90 per cent or 100 per cent of farm land tax is irrelevant. Either the system is totally opposed to the wishes of Ontario's farmers, or it isn't.

All they ask is that they should pay their fair share of the taxes according to the productive capacity of the land—no more, no less. Tax for soft services such as educational and social services should be eliminated from farm land and farm buildings. The present farm tax rebate system is still preferable to the government's new proposals.

One of the main objectives of budget paper E was to achieve a more neutral business assessment rate. If the commission's proposal on business assessment is implemented, it will deal a harsh blow to business, especially owner-managed business, while providing a favourable tax bias for enterprises such as breweries, distilleries and financial institutions. The proposal discriminates against the already hard-pressed small businessman and against businesses with low earning capacity, especially new businesses, and bears no relationship to the income-earning capacity of business or its ability to pay tax.

Mr. McCague: Are you sure about that?

Mr. Peterson: I'm absolutely sure.

No explanation has been given by the government for adopting 50 per cent additional assessment of market value as the appropriate rate. The only clear reason for putting forward this proposal is that it is simple. There is no excuse for the discrimination which will result.

We believe that non-profit and charitable organizations should continue to be exempt from property tax. The proposal to remove this exemption would only serve to erode the viability of the voluntary sector. Voluntary organizations play a valuable and irreplaceable role in community life, helping people to help themselves, fostering and supporting an attitude of self-reliance and community spirit. If these organizations are subject to property taxation, donors will be discouraged from giving and much of the time and energy that volunteers now devote directly to community services will have to be diverted into fund-raising activities. This is not only a waste of a valuable human resource, but it may also serve to erode the base of volunteer support as many feel they will no longer be working to provide services but to pay taxes.

The government's suggestion of providing grant assistance to non-profit and charitable

organizations is not acceptable to us. As stated earlier, grant systems are uncertain, negate the possibility of long-range planning and increase the likelihood of government interference in the decision-making of organizations concerned. In any case, to take the money and then give it back is bureaucratic idiocy. Further, the government has traditionally denied grant support to private schools and secondary schools past grade 10. There is no indication that this policy is about to change.

The commission recommended the creation of exemption review committees at the municipal level, which would decide if exemptions should continue to apply in certain circumstances. Inevitably, this proposed system with respect to tax exemptions for charitable and non-profit organizations will lead to chaos and confusion. The system of periodic review, and the establishment of review committees, will lead to organizations lobbying politicians and influential people to gain exemptions. This might give a tremendous advantage to strong organizations and discriminate against smaller but equally worthwhile groups. I repeat, there should be across-the-board exemptions for charitable and non-profit organizations.

The Liberal Party feels the property tax structure must be the subject of major reform. Tinkering with the present system, which is all the proposals presented by the government and the report of the commission will accomplish, is not an adequate response. As far back as the election of 1943, the Conservative Party under George Drew promised a sweeping revision of the whole property tax system in order to reduce the burden of real property taxation, and to make home ownership more accessible. Over 30 years later that promise remains unfulfilled. During that time the responsibilities of municipal government have grown enormously. The property tax system is simply not a sufficient revenue source to deal with these new and onerous burdens. A massive review of the system of real estate taxation is long overdue and must be undertaken immediately.

One of the reforms Liberals advocate is the taxation of residential buildings and a specified amount of accompanying land for services to land—for hard services such as roads, water, sewer, police and fire protection but not for services to people, or soft services, so-called, such as education and welfare. Payment for soft services by means of the property tax represents a form of regressive taxation. The Ontario property tax credit goes some way in reducing the regressivity of the property tax itself. However,

the proportion of the tax that pays for soft services still applies equally to all taxpayers, regardless of ability to pay.

Mr. McCague: What about Blair on that?

Mr. Peterson: What about Blair on that?

Mr. Speaker: Order, please. The hon. member for London Centre has the floor.

Mr. Peterson: The inclusion of soft services in the property tax also discourages the construction of affordable housing.

Mr. Davidson: How can you judge a report when you haven't seen the report yet?

Mr. Peterson: The added burden that relatively-high-density, low-cost housing places on the provision of municipal services, leads many municipalities to place barriers in the way of construction of low- and moderate-cost housing. The removal of these services from property taxation would greatly facilitate municipal approval of housing at prices which people could afford. Genuine reform of the complete area of municipal finance is necessary and long overdue.

That should give you chaps something to talk about in the next campaign.

Mr. McCague: Don't be provocative now. There are a few holes in that.

Mr. Peterson: In my judgement I am coming to the single most important area in the budget that was neglected. It is of a very great concern to me personally. It's something that I've been interested in for a long time and I see continuous default by the government in terms of coming to grips with it in any meaningful way. That is the whole area of energy policy.

Mr. Haggerty: Look out, Jim, he's rolling up his shirt sleeves.

Hon. Mr. Taylor: Pugilistic.

Mr. Peterson: I regret to say that the failure in this connection has been even greater at the federal level and I'm not proud of that. I think they should very seriously be pressured into a national energy policy. However, in fairness I have to say that just because the federal government has not reacted I don't feel that is any excuse in any way for the failure of this government to protect the future of this province or to protect the people of this province or the consumers of this province. Let us not forget that this is the major energy-consuming province in this country.

It has long been my view that it is an indication of the Premier's view of the situation that he has only relatively recently established the energy ministry. He really doesn't understand or appreciate fully the implications of the problems. In addition to that, he has neglected to grace that portfolio, I'm sorry to say, with a minister of insight, courage or clout.

Hon. Mr. Taylor: Careful, now.

Hon. Mr. Handleman: Yes, don't get personal.

Mr. Peterson: The only consistent policy has been to blame the federal government for all of our problems. I am glad the minister is here to hear this because I feel very strongly we will push him, we will do everything we can to make him come to grips with this issue. His report last week did not do it.

Hon. Mr. Taylor: It's about time you understood what the situation was and understood—

Mr. Speaker: Order, please.

Mr. Peterson: Well, we have understood the situation.

Mr. Speaker: Order, please.

Mr. Peterson: You've never understood the situation.

Hon. Mr. Taylor: You have just confessed your ignorance.

Mr. Speaker: Order, please.

Mr. Peterson: Well, we'll wait and see about that.

Mr. Ruston: What is the matter, Jim? My goodness, did you have sour milk for supper?

Mr. Peterson: I can say this to you.

Hon. Mr. Taylor: You know better than that.

Mr. Peterson: If I was Premier of this province—

Mr. Kerrio: One more year of your energy policy and the lights will go out.

Mr. Peterson: This portfolio should be considered in the top two or three most important portfolios and it is not because you are in it. If the Premier thought it was serious, he wouldn't have put you in it.

Mr. Speaker: Order, please. Will the hon. member speak through the Speaker, please,

and continue his remarks over the interjections?

Mr. Peterson: Would you convey my remarks to the minister, Mr. Speaker?

Hon. Mr. Taylor: I didn't expect anything flattering from you.

Mr. Peterson: You won't get it.

No policy area will have a greater impact on the lives of the citizens of this province and the future of this country, and indeed, the entire western world. Energy policy in the future, even more than at present, will have an impact on human settlements—

[8:15]

An hon. member: You've been rehearsing.

Mr. Peterson: —on economics, on environment, on transportation and the whole social structure. In our judgement, it's absolutely imperative that governments understand and appreciate this fact and start to act accordingly. I desperately hope that President Carter's new initiatives will instil in this government a sense of urgency and a sense of priority, just as I hope they will do the same for the federal government—to get off their duffs and do something about this. I must say, I was frankly insulted when I read in the paper about the federal Minister of Energy saying it may make his road a little easier. I thought he was absolutely ridiculous, the way he handled that situation. These things should have been done before. He's at fault and this government is just as much at fault.

An hon. member: There you are.

Hon. Mr. Taylor: Why don't you get the facts before you start talking?

Mr. Wildman: Why don't you get the facts?

Mr. Speaker: Order, please.

Mr. Peterson: We had our warning in 1973 when oil prices began to increase dramatically. Daily, we've had new evidence of how precarious our position is. Even the minister acknowledged this recently in his paper, *The Energy Future*.

I must say I was impressed last week that he had at least revealed some understanding of the problem. I have yet to see one concrete proposal.

I want to share some of the realities of the situation as we see them in the Liberal Party and I will send the minister a copy of this paper, right after. I hope he'll start acting on it.

In Canada, we have the highest per capita consumption of energy in the world—the equivalent of 49 barrels of oil annually at a cost of \$9.75 a barrel. That's approximately \$440 per capita.

Of course, world prices in refining would be substantially more, but the Resources for the Future Institute, a Washington-based think tank, maintains that Canada uses 20 per cent more energy to produce the same amount of goods as the United States. Granted, we have different weather and transportations needs—I'll give the minister that. But Sweden, with a relatively similar climate and a relatively similar standard of living, uses on average 60 per cent of the energy per capita that we do here.

Hon. Mr. Taylor: You aren't telling me. You've been reading my speeches.

Mr. Peterson: You've been reading our speeches. You've only had the job for about three months, and you haven't mastered it yet.

Hon. Mr. Taylor: I'm still 'way ahead of you.

Mr. Wildman: Sweden is a good country to learn from.

Hon. Mr. Taylor: Have you ever been there?

Mr. Peterson: Roughly 80 per cent of our \$7.5 billion worth of energy is imported, which has a marked effect on our balance of payments and our standard of living.

Mr. Nixon: Don't bend my coat.

Mr. Peterson: That total of \$7.5 billion breaks down roughly this way: transportation, \$2.9 billion; residential, \$1.3 billion; commercial, \$1.1 billion; industrial, \$1.9 billion; other, \$0.3 billion—for a total of \$7.5 billion.

In my judgement, we need a detailed analysis of all the areas where major consumption goes; we must take effective measures immediately, start attempting to curb our annual growth in demand which has, historically, been at the level of five per cent.

Just to inform the House and the members that this is possible, let me recount a study by the Brookhaven National Laboratory which estimates that on average—and granted these figures are rough, but very revealing—we waste, in North America, 68 per cent of the energy in utilities; 50 per cent in industry; 60 per cent in residences; 87 per cent in automobiles; 84 per cent in transportation and 60 per cent in commercial applications. In

other words, we waste approximately two thirds of our energy. In Ontario that would be about \$5 billion annually.

Mr. Nixon: And the government continues to drive those limousines.

Hon. Mr. Handleman: What about you?

Hon. Mr. Taylor: How about Mitchell Hepburn?

Mr. Nixon: We're going to auction them off.

Hon. Mr. Norton: In Varsity Stadium.

Mr. Nixon: It just occurred to me.

An hon. member: It's a good idea, Bob.

Mr. Riddell: And, furthermore, we've got an auctioneer who can do it.

Hon. Mr. Taylor: You don't know a car from a cow.

Mr. Speaker: Order, please, the hon. member for London Centre has the floor.

Mr. Peterson: Even if we could eliminate half this waste, or even a percentage of this waste, it would result in massive savings to the people of this province.

It is our belief that the cornerstone of an energy programme must be conservation. I can tell you, I've sat through committee meetings, I've listened to ministers in estimates and it's been pooh-poohed constantly. I must say in fairness, it's only been in the last two or three months there's been any understanding of that fundamental precept at all.

Mr. Nixon: Do you mean since Mr. Taylor became minister?

Hon. Mr. Taylor: That's right.

Mr. Peterson: He was told to do so. Somebody wrote him one reasonably good speech.

Mr. Lewis: What speech?

Mr. Nixon: His mother.

Mr. Lewis: Jim Taylor? A reasonably good speech?

Mr. Peterson: I am trying to be charitable and constructive. It is not easy.

It is my belief that with imaginative and tough programmes—

Mr. Singer: There is something about these evening debates that's most edifying.

Mr. Peterson: Particularly if you have been at La Scala for dinner, Vern, or the Albany Club.

It is my belief that with imaginative and tough programmes, we can substantially reduce our growth in demand without in any material way affecting our standard of living or creating major personal discomfort. A general, fair, equitable winding down of our consumption habits is preferable to what in my judgement will be some day soon a catastrophic day of reckoning. That's why I am going to lay before the Energy minister, and before the House, some very specific proposals which I recommend to him and I hope he takes courage from the strong initiatives that President Carter has instituted. We recommend a comprehensive compulsory set of insulation standards for all new buildings, be they residential or commercial.

An hon. member: Tax free.

Mr. Peterson: Imperative, no question.

An hon. member: Windmills are next.

Mr. Peterson: Number two, we advocate a comprehensive and compulsory programme of thermal upgrade, retrofitting and insulation for all existing structures. I want to talk about that for a minute, because I think it's very important and critical to the debate at hand. If we brought our existing housing stock up to 1975 federal standards at a cost of approximately \$860 per unit, we could save 36 per cent of our residential heating bill or the equivalent of 824 million gallons of oil, which would mean about \$412 million annually.

Hon. Mr. Taylor: Have you checked the federal government building code?

Mr. Peterson: Sure.

Hon. Mr. Taylor: And the provincial building code? You don't even have this in the federal building code. We have them in the provincial.

Mr. Peterson: You do not. You don't have any.

An hon. member: Where were you for supper, Jim?

An hon. member: You copied it. You copied the federal code.

Mr. Deputy Speaker: Can we have some order please? Will the hon. member for Prince Edward-Lennox and the member for Cochrane North please try to contain them-

selves. The hon. member for London Centre has the floor.

Mr. Peterson: Just to put the savings in relative terms, Mr. Speaker—

An hon. member: Cochrane North? Has he been banished to Cochrane North?

Mr. Peterson: To save 10^6 Btu in energy through insulation costs about 50 cents. Mackenzie Valley gas when delivered will cost about \$5.00 per 10^6 Btu. That's the relative cost of what we are talking about.

In our judgement the cost of this massive insulation programme should be capitalized and spread out over a term of years, so that even though the home owner was paying for insulation, when the cost was set against the savings in his fuel, his total bill would be less.

The advantages, apart from the savings in energy, in our judgement, right now are absolutely immense. This type of work is highly labour intensive—approximately 50 per cent of it. It would immediately create jobs. It is highly decentralized and it would include, to a large measure, small business. The technology is simple and available. All that is lacking is government direction.

Does the government want to create jobs? Does it want to create them tomorrow morning? Bring in a programme like this and it can be financed with no additions to the public purse. My problem with the NDP programme, frankly, is that it is going to increase the deficit. I am saying this can be capitalized. I am saying it can be spread out over a 10-year period or a five-year period, and it can be done.

Mr. Renwick: There was nothing in the remarks of the member for Ottawa Centre (Mr. Cassidy) that would increase the deficit.

Mr. Peterson: In fairness now, the NDP position was that there should be contributions up to \$500 or a third of the bill depending on the price. That sounds to me very much like a handout in these kind of situations. I think everybody in this province is in this difficulty together. I think with leadership and direction you can actually prove that the bill would be less if you capitalized it over a term of years. Government can come in with low-cost assistance.

Hon. Mr. Taylor: It's not direction, it's dictation.

Mr. Nixon: If only we had a senior Minister of Energy. Bring Darcy back.

Mr. Peterson: We estimate, Mr. Speaker, and I will grant you that this is rough, but this kind of programme at this particular point in time would create—and I think the NDP figures are a little different from mine—but about 150,000 man-years of work at about \$15,000 per annum.

Mr. Renwick: I think the minister would prefer it if Gerry Ford was in the White House.

Mr. Peterson: He would prefer it if Calvin Coolidge was in the White House.

Mr. Deputy Speaker: There is no responsibility on the member for London Centre to react to the interjections.

Mr. Nixon: Or the member for Riverdale to interject.

Mr. Peterson: I really enjoy it though, Mr. Speaker, no kidding.

Mr. Singer: He had his time this afternoon.

Mr. Deputy Speaker: Just ignore the member for Riverdale.

Mr. Singer: It's easy.

Mr. Peterson: In addition, we propose that motor vehicles should be licensed on the basis of weight or a formula related to energy consumption—not on the basis of the number of cylinders because that's a very inexact guide, as the minister knows. The number of cylinders is not an accurate measurement of efficiency. The Treasurer in his budget pays only lip-service to energy conservation. It's a throw-away line when he starts increasing the fees.

We believe that a phased increase in motor vehicle licence fees to discourage inefficient vehicles and encourage efficient models is the answer. It would be phased, and everybody would be on notice that it would be over a period of years so that people could start adjusting their own habits and the manufacturers could start adjusting their production. We think that's fair and reasonable.

We recommend a series of tax credits for the installation of renewable energy equipment. In addition, we must remove any increment in local assessment where renewable energy devices are now installed. In certain applications already in existence, a combination of solar and oil heating devices are competitive with fossil fuel applications.

In our judgement we need efficiency standards for all energy-consuming devices, including houses. This should be clearly dis-

played and tagged in terms understandable to any consumer. There are various ways of doing that. It can be an efficiency rating, but the preferable way to do it, in my judgement, is in terms of dollars so everybody understands the financial implications of any purchase of an energy-consuming device.

I want to repeat something that we've said for a long time. We think we need a rate structure in both electricity and natural gas which is progressive, i.e., the more you use the more you pay. Our current rate structure encourages consumption in that the more you use the less you pay per unit. The Liberal Party view is that the exact opposite should be the case. We have an obligation to people on low and fixed incomes to deliver, as a matter of public policy, a quantity of energy at as low a rate as possible. Thereafter, the larger consumer and the excessive consumer would pay progressively more.

We believe that we should introduce a time-of-day pricing structure for hydro to discourage use in peak periods and to assist in better load management. We think that would have a measurable improvement in load management and would assist Ontario Hydro in its capital programmes.

We need programmes to stimulate the development and manufacture of renewable energy devices here in Ontario; and I'm talking about a whole myriad of them, including solar, wind, biomass and methanol. I want to say a little bit about methanol technology. My colleague from Halton-Burlington (Mr. Reed) is an authority on this, and I'm sure he'll be speaking at other times in the House on this. But methanol technology is a perfect example of a renewable resource which could be grown and synthesized completely within our provincial borders. It has the potential to make a major impact on our petroleum requirements.

Mr. Nixon: Methanol can't be put to any other use.

Mr. Peterson: Some of the Tories will recall that Hitler ran the last two years of his war with it.

Feedstocks are any carbohydrate source—wood waste, special energy crops, garbage or sewage sludge. Professor Donald Mackay of the University of Toronto in a current study indicates that the cost per gallon ranges from 45 cents to 69 cents. The technology is currently available and operating in plants in such places as West Virginia.

The advantages are immense. All raw materials are indigenous to Ontario, it could help solve our waste problems and it would

substantially assist in the balance-of-payments problem. We need direction in that area, in my opinion, and that's one the government should be leading in, when we have these massive tracts of forest here; unfortunately, the government's not reforesting them.

I semi-agree with the minister's proposal that we need a federal-provincial agency to co-ordinate more, but I would take it much further.

Hon. Mr. Taylor: Don't get too cosy now.

Mr. Peterson: I want to repeat what we think the function of that federal-provincial agency should be. This agency should make some of the energy investment decisions which have previously been reserved only for private companies. Its board would determine investment priorities among a full range of energy options—and that's a new problem we're running into today—including exploration, research and development, renewable resources, provision of nuclear energy, energy conservation, coal gasification and whatever. In many cases, these options would be implemented through partnership agreements with private industry.

What we don't fully understand is the tremendous competition for capital that's going to go on in this country; and, Lord knows, we have those problems now. It's going to be highly inflationary; it's going to alter our whole savings and consumption pattern in this country, in my judgement. I think we are better off co-ordinating this and having some of those tough decisions made in co-ordination with governments and private enterprise. That's why I say the kind of body that the minister proposes should go one step further.

[8:30]

In addition, let me just say by way of interest, it is estimated that in the energy field alone we are going to need some \$125 billion in the next 10 to 15 years. That's substantial, and it's going to affect everyone's way of life. We cannot afford to waste it, we cannot afford to misappropriate that money and that's why we need much better co-ordination.

Mr. Nixon: That's for Canada.

Mr. Peterson: In addition, the joint federal-provincial agency would function as an energy ombudsman for Canadians, with the power to examine the books of energy companies, to independently assess oil and gas reserves and determine the potential of other energy sources for Canadian use.

I want to say this—and I don't pretend to have laid out a comprehensive energy policy, there are many other aspects to it which we will come to. But I have made a number of suggestions which in my judgement and in the judgement of the Liberal Party would impact immediately on this province. Not only in massive savings in terms of our provincial balance of payments, but also in terms of immediate job creation.

To the Treasurer, to the minister and to the government I would say this, as forcefully but as charitably as I can. They have been derelict in this area; they have been lead-footed, and they have been irresponsible—

Mr. Nixon: Ham-handed. Unimaginative.

Mr. Peterson: —and I think they've got a lot to do, and they should start now. I really hope the Minister of Energy has the clout to pull it off in cabinet. Because if he has, we're going to be right with him, and I am sure that our friends of the left who sit to the right will be there too, because by and large they would share a lot of these thoughts—maybe not all of them, but a lot of them. It's important this should become a non-partisan issue. If the minister comes up with tough measures, I can almost assure him of the support of the people in this part of the House. We are all in it together; it's a collective responsibility to make sure everybody in this province understands it.

Mr. Nixon: Oh, we've only got six more weeks to put up with these people, anyway.

Mr. Eakins: Monday it will be all over.

Mr. Nixon: You will be the minister, David.

Mr. Eakins: Can you hold out until Monday, Jim?

Mr. Ferrier: We will let you vote for our amendment.

Mr. Peterson: Before I take a detailed look at some of the provisions in this year's budget, I want to make a couple of observations on two previous budgets brought in by the Treasurer. In many respects, the people of Ontario are still paying the price of the 1975 election-year budget, in which—

Mr. Nixon: The price was \$600 million.

Mr. Peterson: —the government introduced programmes blatantly aimed at vote-catching. You know what's so interesting to me, Mr. Speaker? Here we are in 1977, if you read back the old speeches of 1975 when he opted for this massive stimulation—

Mr. Nixon: Marvin Shore's speech.

Mr. Peterson: That's irrelevant in the political annals of this province.

Mr. Deputy Speaker: The member for Brant-Oxford-Norfolk doesn't have to interrupt his colleague.

Mr. Peterson: If you listen, Mr. Speaker, they're awfully clever.

Mr. Kerrio: That is asking for direction.

Mr. Peterson: But it's curious to watch the shift in economic philosophy, depending on the political circumstances at the time. Obviously the Treasurer's reading is restrained to the measure of the day to day. In 1975, not nearly as in serious shape as we are in today, he had a totally different philosophy, a totally different set of precepts. And it is interesting to me to read and follow through those great disparities. It really speaks a lot, in my judgement, to the consistency of the government across the hall—across the pit, the middle.

The people of Ontario are still paying the price for that 1975 budget in which the government introduced programmes blatantly aimed at vote-catching. Revenue lost to the province, for just three items—a two per cent reduction in provincial sales tax, the tax rebate on cars, and the first-time home owners grant—was almost half a billion dollars. That year alone the deficit rose by \$934 million, an increase of 171 per cent over 1974, to a total of \$1.5 billion. The debt burden carried by every person in the province rose by 41 per cent, or \$172.17 that some year.

And Marvin Shore agrees with me. Marvin agrees with us.

Mr. Nixon: Yes, Marvin is a very agreeable chap.

Mr. Shore: That is the only part I agree with.

Mr. Nixon: Now, now, back to the Hunt Club, Marvin.

An hon. member: These were your notes from last year, Marvin.

Mr. Peterson: Net cash requirements were 2.8 per cent of gross provincial product that year as compared to 1.6 the year before.

Mr. Shore: Good faith.

Mr. Deputy Speaker: If the member for London North wants to agree or disagree he will do it from his own seat.

Mr. Kerrio: Wherever that is.

Mr. Edighoffer: Where is his seat?

Mr. Peterson: You pointed that out very well. He doesn't know his seat, and he doesn't know whether he is agreeing or disagreeing. You pointed it out very well, Mr. Speaker.

Mr. Swart: He's lucky if he finds the right side of the House, let alone his seat.

Mr. Nixon: He's closest to his spiritual home now.

Mr. Peterson: If the money required to service these enormous deficits had been available on the markets these past two years, the economy would have been in far healthier condition than it is now, even given the effect of those stimulative measures.

What was the effect? In budget paper A of the 1976 budget, the Treasurer quotes an article by Professors Jump and Wilson indicating the sales tax reduction, including exemptions for production machinery, reduced the rate of inflation by 0.3 per cent. Had the Treasurer quoted further, we would have learned that these professors also believed that in 1976, the end of the temporary reduction would serve to increase that rate of inflation by 0.2 per cent. That's selective editing by the Treasurer.

Because the sales tax reduction reduces transaction requirements for cash, the impact of the provincial measures upon interest rates is minimal in the current year. Next year, however, the increased borrowing puts upward pressure on interest rates, with short-term rates rising 39 basis points and long-term rates eight basis points by the end of 1976.

To some extent the automobile sales tax rebate may have stimulated sales, but these were at a near record level just before the tax break was announced. Possibly one effect of the tax rebate was that sales would slump, because people planning for a new car in 1976 took advantage of the tax rebate and bought in 1975.

The home buyer grant, which cost this province \$90 million in revenues initially, has become the most notorious item of the three. In its eagerness to get the \$1,000 cheques out to the people before the election, the government did not bother to establish a proper mechanism to screen applicants.

Mr. Nixon: The Tory candidates delivered them by hand.

Mr. Peterson: The only rule in getting that out was, the cheques have to move fast. No affidavit, no affirmation required.

Mr. Eakins: Just Lorne Henderson.

Mr. Peterson: I have heard testimony before the public accounts committee that that was the only criterion—move the cheques.

Mr. Nixon: Spend the money.

Mr. Peterson: Of the 87,000 people who received cheques, the ministry now estimates that as many as 9,000, perhaps more, went to ineligible applicants. This means that the programme cost at least an additional \$9 million which the government, in an expensive audit procedure, is now trying to recover. Depending on the number of ineligible recipients who are discovered, the government will be paying out up to an additional \$4.35 million in the next two years in supplementary grants.

And the impact of all this spending? Well, it is estimated that about half of those who received their grants would have purchased their first home in any case. Further, 1976 housing starts were reduced by the amount of demand which was shifted into 1975 by virtue of the tax. Again, Professors Jump and Wilson, whom the Treasurer was so proud to quote, assume about one third of the increased demand in 1975 represents such borrowing from 1976 demand. We have paid and are continuing to pay now for a budget designed with no greater purpose than a re-election.

As for the 1976 budget, what more need be said about it than that the Treasurer has been dead wrong in his predictions?

Mr. Nixon: McCague wouldn't be here without that \$600-million bribe.

Mr. Peterson: He could be had for about five cents, I'm sure.

Mr. Nixon: Oh yes, his price is a lot less than that.

Mr. Peterson: He told us there would be 116,000 new jobs created in Ontario in 1976.

Mr. Nixon: Where's the Treasurer?

Mr. Peterson: In fact, 76,300 jobs were created, a shortfall of almost 40,000 jobs. Ask me about predictions by this Treasurer. His estimates of the government's net cash requirements were underestimated by \$158 million, his budgetary deficit by \$302 million, and his budgetary expenditures by \$55 million. His estimates of revenues were overstuffed by \$169 million—or overstated by \$169 million.

Mr. Nixon: He's overstaffed too. He's got one too many legislative assistants.

Mr. Peterson: It's interesting to look at his predictions for next year. He's predicting four and six per cent growth. Today the Conference Board came out with a three per cent growth rate for Ontario. We're going to find—you mark my words—we're going to find that his revenue predictions are totally off again. We're going to find ourselves in the same pickle, and we're going to find the Treasurer next year being still around talking about restraint. We're going to be talking about the same old things, and he's going to be just as wrong next year as he was this year.

Mr. Nixon: He won't be Treasurer next year.

Mr. Peterson: I wish the Treasurer were here because he was learning a lot this afternoon when he was here.

Mr. Nixon: He's finishing up dessert at the Albany Club.

Hon. Mr. Norton: Because you are not going to extricate yourself.

Mr. Nixon: He's a great one for dessert.

Mr. Peterson: Mr. Speaker, I want to look at some of the specific proposals in the last budget, and I want you to know that I'm drawing reasonably close to the end of my remarks, unless there's a popular request that I go on.

Interjections.

Mr. Peterson: The Treasurer asserts, "We remain convinced that the highest priority has to be allocated to a strategy for the 1980s and that this strategy should embrace, in a comprehensive way, the key aspects of our economic and social life. This is not the time," he says, "to slide off into makeshift remedies because they will come back to haunt us and our children for many years." It is shades of the past. It is very curious—

Mr. Shore: Are you for it or against it?

Mr. Peterson: We are against the government. We are for responsibility.

Mr. Shore: Who is going to make that speech next year?

Mr. Peterson: This is precisely the kind of budget that we have here.

Mr. Nixon: Marvin, you are not going to be here to make any speeches.

Mr. Peterson: A Band-Aid budget, a series of isolated incoherent measures.

Mr. Nixon: Back to the drawing board, Marvin.

Mr. Shore: Who is going to make the speech next year?

Mr. Wildman: You know how Liberals can straddle the fence, Marvin.

Mr. Eakins: You won't have to work nights next year, Marvin.

Mr. Conway: Anyway, they got you on sale.

Mr. Shore: How are you doing, Sean? Did you come in for the day?

Mr. Deputy Speaker: Let's have some order, please. The hon. member for London Centre still has the floor in spite of the opposition from the member for London North.

Hon. Mr. Handlemn: You've been saying that now for three hours, Mr. Speaker.

Mr. Peterson: Mr. Speaker, in our judgement there is no evidence of a strategy here of any type of the kind the Treasurer describes. There is no evidence of a comprehensive assessment or a plan for the economy as a whole, or even for the crucial segments of the economy. In the 1976 budget considerable emphasis was given to the need for a realistic energy policy and for a revitalization of the auto industry. Indeed, an entire supplementary budget paper was devoted to an analysis of Ontario's performance under the auto pact. It is interesting, I am going to get into this a little later, but I have a copy of a speech given by the Treasurer at noon today to the auto parts industry. I'll get to that a little later, because I can't pass it up.

Mr. Nixon: He is making a lot of speeches, have you noticed? About three a week, all scripted.

Mr. Conway: I hear he is the one who is going to talk to the Lieutenant Governor.

Mr. Peterson: He did nothing then and he has done nothing today.

Mr. Nixon: I don't know what he has in mind, because the Minister of Labour (B. Stephenson) is away ahead of him in the leadership race.

Mr. Deputy Speaker: We don't need the interjections from the member for Renfrew North or the member for Brant-Oxford-Norfolk.

Mr. Peterson: The Minister of Energy is ahead of him in the leadership too. That is how grim things are.

In his 1977-78 budget, energy, acknowledged to be one of the most crucial problems facing us today, is virtually ignored. Concern for the auto industry is reduced to one line which says only that Canada's role and share in the auto trade pact has to be a matter of great concern to us. No strategy is in place. There is no evidence of any kind of follow-up to some of the previously designated problems. The problems we face today in our judgement are mammoth and are going to have much impact on our future.

Mr. McCague: Who wrote this?

Mr. Peterson: What we need is a comprehensive series of policy proposals in many vital areas. I am proud to have participated today in the presentation of some of these policies.

There is a lot of allusion made to productivity. It is a concern in everybody's mind today. Everybody reads about productivity. Are we behind or are we ahead? We look at C. D. Howe's revised figures and ask, are we behind the United States or aren't we? Let me say this: It is a very difficult concept, and nobody really has a precise handle least of all the Treasurer of this particular province.

Mr. Nixon: And his staff.

Mr. Peterson: It is my judgement that this should be a fundamental area of concern, particularly in this province with its very strong manufacturing base, which has the most to lose in the context of the present economic forces, the energy problems and all of that kind of thing. He should have a handle on that. He should be studying those kind of matters, even if he had to direct the Ontario Economic Council into those kind of studies.

In Canada today, for example, we have twice the capital intensity of Japan but the same productivity. We have roughly the same capital intensity as the United States but, in most people's judgement, we are running 20 per cent behind in terms of productivity.

Mr. Conway: Gordon Walkers says the Tories are too pink anyway.

Mr. Nixon: Whatever happened to Gordon Walker?

Mr. Grossman: That could have been your last speech, Sean.

Mr. Peterson: What concerns me, Mr. Speaker, apart from the low quality of the

interjections coming from members of my party—they have declined since the one about the moon and the cheese—

Mr. Deputy Speaker: Interjections by your own colleague, I might add; from the member for Renfrew North specifically.

Mr. Grossman: They're the best part of the member's speech.

An hon. member: He is a good man.

Mr. Peterson: Let me say, I think the Treasurer's priorities are wrong. He is spending his time—

Mr. McCague: You are wasting our time.

Mr. Peterson: He has appointed a commission on inflation accounting.

In my opinion, in a provincial context alone, that isn't worth a damn—excuse me, isn't worth a hoot, Mr. Speaker. He has a study on pensions. But he should be studying this very difficult concept of productivity—the labour input, the technology input, the capital input and all the constituent elements—to get some kind of a consensus of all the people in this province about some kind of an industrial strategy.

[8:45]

Constantly the Treasurer harps that there is no such thing as a federal strategy. We need one. We need one provincially. It's the richest, strongest province with the greatest manufacturing base. I repeat, we have the most to lose. I would urge him to go into a massive study. As evidence of the Premier's inability to deal with this problem, I want to quote to you from Hansard on November 23, 1976. I asked the Treasurer a question here.

Mr. Martel: Did he answer?

An hon. member: He didn't know the question.

Mr. Peterson: The question is, "Does the Treasurer have any plans or any projections that he is going to require capital investment of so much to get so much increase in productivity? Does he have any plans or goals in this area?"

An hon. member: No.

Mr. Peterson: "Mr. McKeough: Nothing that I would say specifically. I think there is no question that productivity"—and here he went into one of his basic grade one lectures—"productivity is the sum of several parts"—

Mr. Shore: It's a grade one question.

Mr. Peterson: "It happens to be—to put it in lay terms—how hard we work"—

An hon. member: It's a kindergarten answer.

Mr. Peterson:—"how much money we invest; how technologically advanced the machine is. It will be a combination of a number of these things which is going to bring about productivity gains or continuing productivity gains.

"Without being specific this afternoon I can only tell the member that the Premier, the Minister of Labour, the Minister of Industry and Tourism, the Provincial Secretary and others have been giving the whole subject a great deal of thought."

Mr. Nixon: Segal wrote that answer, you know.

Mr. Peterson: "We have nothing definite to put before the House at this time."

An hon. member: Very profound.

Mr. Grossman: He can't read the answer—how can he understand it?

Mr. Peterson: I think frankly it's going to go against the myth of the competence of the Treasurer that he doesn't have something more precise to say on this kind of subject; that he doesn't have more plans on this kind of subject. He should have, and I would recommend that he start very quickly.

Mr. Nixon: Bad case, Larry. I don't think he can run a plumbing retail store.

Mr. Peterson: Well, he can't. Why else is he here?

Mr. Grossman: He could, but wouldn't have it.

Mr. Peterson: When the federal Treasurer brought down his budget on March 31, our leader expressed our disappointment that the budget failed to meet the most important economic challenge in Canada and Ontario—the urgent need for new job creation.

Mr. Shore: Are you for or against it?

Mr. Peterson: While the investment incentives are a step in the right direction, they will provide no significant assistance to labour-intensive small businesses. The Treasurer plans to balance the budget by 1980-81, an admirable objective. However, we can have little confidence in his ability to achieve this goal in light of the past management of our economy, particularly the size and increase of the deficit.

Obviously the Ontario Economic Council shares our doubt for a study prepared for the council by economists from the University of Toronto predicts deficits of \$3.9 billion in 1981 and \$4.2 billion in 1982. These are a long, long way from the Treasurer's projections. Nor can we overlook the fact that as the Treasurer tentatively undertakes this noble task, three other provinces either have or are projecting balanced budgets for this year. Alberta had an overall budgetary surplus in 1974 and 1976—

Mr. Eakins: There's leadership.

Mr. Nixon: How did they do that?

Mr. Peterson: —with a surplus of \$248 million projected for their 1977 budget. That province estimates an increase in expenditures of 12.4 per cent and in revenues of 14 per cent.

Mr. Nixon: That's real good management.

Mr. Peterson: British Columbia has brought down a balanced budget this year with increases in revenues and expenditures of only 5.9 per cent over 1976. They worked steadily at lessening the deficit from \$511 million in 1975 to \$28 million in 1976 to a balanced budget this year.

Mr. Nixon: A lot of Liberals in that government.

Mr. Peterson: Nova Scotia also plans a surplus budget in 1977. Now, there's a good Liberal government.

Mr. Nixon: That Premier is going to go places.

Mr. Peterson: They are projecting a 12.5 per cent increase in expenditures this year and a modest overall surplus of about \$92,000.

Mr. Nixon: Oh boy, that Regan is a great leader.

Mr. Peterson: Ontario could and should be doing as well or better than these provinces yet we continue to flag. The Treasurer would have us believe that the Ontario economy at this time is displaying "signs of solid strength in several sectors where we have produced positive results in terms of rising incomes and jobs as the year unfolds." As we pointed out earlier this afternoon, before all you people fell asleep, Ontario's performance in all the leading economic variables—

Mr. Shore: It is the only observation you recognized.

Mr. Peterson: —in 1976 leads one to a totally contrary conclusion.

Mr. Roy: You agree with that, eh Marvin?

Mr. Shore: The falling asleep, yes.

Mr. Roy: That's what you said last year, remember?

Mr. Peterson: His belief that the annual rate of growth of the Ontario economy will move from four per cent a year in the first half to a rate of six per cent by the last half is not shared by the Conference Board in Canada—

Mr. Shore: Did the noise wake you up, Albert?

Mr. Peterson: —who feel it will grow by about three per cent in real terms this year.

An hon. member: Read your own speeches.

Mr. Peterson: I want to take issue with the Treasurer's statement that in "the Speech from the Throne the Ontario government announced a wide range of initiatives to reinforce and guarantee an expanded role for small business in the economy."

Mr. Nixon: What a difference a year makes.

Mr. Peterson: There is virtually nothing of substance in the Throne Speech or in the budget initiatives to truly assist hard-pressed small businessmen.

Mr. Nixon: There is nothing but Liberal policy that will help them.

An hon. member: There was nothing in it —nothing.

Mr. Peterson: Proof of this government's sincere interest in promoting small business would be an integrated set of policy proposals, such as our party has developed. Instead, the government provides a hodge-podge of Band-Aid solutions that at best would affect only existing business, and do nothing to assist new business.

Mr. Grossman: Marvin, he is reading your old speech.

Mr. Peterson: A true indication of the direction in which the government is moving is spelled out clearly in the section called "Industrial Rationalization" where the Treasurer states, "We cannot afford in many instances, with our relatively small market base, to have many firms competing in one sector." I guess that here his plan is to buy it and then let it go bankrupt.

Mr. McCague: Is it your party that did that?

Mr. Peterson: I continue to quote the Treasurer, "For this reason, my colleague the Minister of Industry and Tourism fully supported the recent industrial consolidation of our electrical appliance industry which was achieved through the merger of the major appliance divisions of General Steel Wares and General Electric Company to form the Canadian Appliance Manufacturing Company. We need to encourage more of that kind of rationalization. In doing so, we can rely on imports to provide effective price competition to the benefit of consumers and we can take full advantage of the economies of scale which industrial rationalization brings."

Mr. Grossman: Not like Shakespeare.

Mr. Peterson: That's only a very small part of the answer. The Treasurer fails to understand that this is only part of the solution. To quote James Conrad, director of legislative affairs for the Canadian Federation of Small Business, the Treasurer "is locked into the obsolete bigger-is-better philosophy." Mr. Conrad's opinion shows the Treasurer is looking to large corporations to stimulate the economy. I believe the Treasurer is so obsessed with bigness that he's forgotten the small business sector, employs 60 per cent of the labour force and is able to create new jobs quickly. Perhaps this is why his job creation proposals continue to fail year after year.

Mr. Nixon: And he figures what is good for Union Gas is good for Ontario.

Mr. Grossman: I thought you were going to say unions.

Mr. Peterson: The Liberal Party believes in the worth of small business, of free enterprise and a healthy competitive economy. Our policy paper, released only recently, deals in a comprehensive way with the problems and needs of small businessmen.

Mr. Nixon: Right up to date.

Mr. Peterson: It recommends a complete programme to promote and encourage the growth and prosperity of this sector. I was very interested in the remarks of the member for Ottawa Centre yesterday. He was identifying with the NDP policy of trying to leap on any cause that comes its way.

Mr. Nixon: A handful of votes there for them.

Mr. Peterson: He was trying to maintain that the NDP was the only party identified in any way with small business.

Mr. Nixon: Just because he's a small member.

Mr. Peterson: I may be wrong, but I'm not sure. Is there one businessman in your caucus? Certainly if there is a successful one they would not be in that caucus. Is there one?

Mr. Roy: What I want to know, Jim, is are you going to go after corporate contributions this time round?

Mr. Peterson: I want to say that the promotion of small business is consistently and has been, a fundamental principle that the Liberal Party adheres to.

Interjections.

Mr. Deputy Speaker: Order. Give the hon. member an opportunity to be heard.

Mr. Peterson: I want to read into the record some aspects of our small business policy. I will spare you the reading of the whole thing.

Mr. Wildman: Did you say small?

An hon. member: Read it.

Mr. Peterson: We have extra copies in our office. Any of the members interested in a copy will be welcome to drop in after the speech and pick one up.

Mr. Nixon: On the payment of a small fee.

Mr. Roy: The Tories will probably steal it word for word.

Hon. Mr. Handleman: I will mail it to every voter in my riding.

Mr. Peterson: I do want to state our philosophy and policy with respect to small business. Liberals are committed to the free enterprise system, in the support of the independent entrepreneur.

Free enterprise is an important part of our democratic tradition in Canada. It has helped the country to grow and to prosper in the past and has an important role to play in the future.

Mr. Conway: —in the public trough.

Mr. Peterson: Survival of the free enterprise system depends not only on the survival of big business but, more importantly, in a flourishing small business sector.

Mr. Lawlor: It doesn't exist in big business, come on.

Mr. Nixon: And a strong agriculture community.

Mr. Peterson: My leader has said very well on many occasions: It doesn't really matter to a person—if he's working for a large company—if his shares are owned by the government, as you have it, or by a large corporation. The real feel of people for the free enterprise system, with its scope for social mobility and growth, is through independent business. We are not doing enough in our educational system, or through any government policy, to foster that quality of entrepreneurship which, in my judgement, is going to be one of the few things that may allow free enterprise to have a chance in the future with this kind of policy.

I am obviously bothering the member for Riverdale. He would have preferred I just mail him a copy of my speech, but—

Mr. Renwick: We're obviously in complete agreement.

Mr. Grossman: No, no. He wants you to recite a bit of Shakespeare.

An hon. member: Recite most of it.

Mr. Peterson: The Conservatives in Ontario are committed to a policy of large scale. In a recent submission to the royal commission on corporate concentration, the Treasurer stated that he needs more concentration. Liberals do not accept the inevitability of concentration and strongly resist moves in this direction. The NDP are committed to the support of large unions and therefore are also committed to business on a large scale.

Mr. Nixon: Whatever Joe Morris says.

Mr. Peterson: Both these parties think in terms of bigness, in business and in government.

Mr. Wildman: And unorganized workers as well.

Mr. Peterson: Liberals believe in the need to deconcentrate economic and political power to give individuals a feeling of importance and a genuine stake in society and to enable them to contribute in a meaningful way. Liberals have a fundamental commitment to competition and diversity—

Mr. Roy: That's us.

Mr. Peterson: —as essential elements of a prosperous democratic society.

Hon. Mr. Handleman: Diversity is the key word.

Mr. Roy: That's us.

Mr. Peterson: In recent years, governments have hindered the growth of the private sector through bureaucratic regulations and red tape and by taking over an increasing proportion of available resources themselves, leaving less and less to the more competitive and efficient private sector to develop. For our economy to grow in a healthy manner, a new balance must be established between the public and private sectors. Each can assist the proper functioning of the other.

Mr. Conway: I hear Marvin bought a Bricklin.

Mr. Peterson: A healthy economy should consist of a mix of small, medium and large firms, since each enterprise has a different optimum size in terms of efficiency and effectiveness, depending on the market it serves.

An hon. member: Excellent policy.

Mr. Peterson: A constant flow of new venture start-ups is necessary in order to preserve this mix by preventing a natural tendency towards industrial concentration. Small firms do operate effectively and efficiently in specific sectors.

Mr. Wildman: Is he going to read that whole thing?

Mr. Peterson: While government policy has done much to assist medium and large corporations through the use of tax incentives, write-offs, credits and deferrals, little has been done to aid small business. This sector must be viewed as a separate entity. Policies designed to benefit large corporations often have a negative impact on small business. At least their problems and needs are not the same and it is now time—

Hon. Mr. Welch: He reads well.

Mr. Peterson: —indeed it is long overdue for government to come to the aid of small business.

Hon. Mr. Welch: When are you going to start the yellow pages?

Mr. Peterson: You're going to get it.

Mr. Nixon: Where did the minister come from?

Mr. Peterson: If I really wanted to bore you, I'd read back one of your old speeches.

Mr. Nixon: We thought you were out drawing tickets.

An hon. member: No more Wintario to give out, eh?

Mr. Peterson: We define small business as follows—

Hon. Mr. Welch: What about the St. Catharines phone book? The yellow pages.

An hon. member: What happened to that rule about reading speeches?

Mr. Peterson: —a small business concern is independently owned and operated and a small business concern is not dominant in its field of operation.

Mr. Nixon: The minister must have got out of the Albany Club early tonight.

Mr. Peterson: The Minister of Culture and Recreation should like small business.

Hon. Mr. Welch: That's right.

Mr. Peterson: The small business sector employs between 50 and 60 per cent of all working Canadians. Because of its size, small business is flexible, able to adapt quickly to changes in the market and possesses great potential for technological and other innovations.

Hon. Mr. Welch: We would like to look after the tenants of Ontario. We have got rent review to do and the Essex school board Act.

An hon. member: Oh, they don't want that.

Interjections.

Mr. Peterson: Are you against small businessmen or what?

Interjections.

Mr. Peterson: Most important, small business is labour intensive and can create new jobs more quickly and cheaply than—

Interjections.

Hon. Mr. Welch: The Treasurer told us about that in his budget.

Mr. Deputy Speaker: Let's have some order, please.

Mr. Peterson: I agree with you.

Mr. Grossman: We thought you were finished.

Mr. Peterson: Thank you, Mr. Speaker.

Mr. Eakins: A good job somebody's for the small businessman.

Hon. Mr. Taylor: Why don't you take it as read?

Mr. Peterson: It's estimated that the small business sector can produce a new job for in the order of \$5,000—of course, that's variable—while the capital intensive sector may require anywhere from \$70,000 to several hundred thousand dollars in capital investment, depending on the industry.

It is for these reasons and foremost its capacity for job creation that the Liberal Party believes that the small business sector must be supported and promoted. Small business has demonstrated potential for dynamic, innovative production. To continue and to expand its role in the economy, government assistance is required. This is not to be confused with government regulation or control, which would certainly be rejected by independent entrepreneurs. Rather, incentives and programmes specifically designed to ameliorate the problems facing this sector are required.

This whole paper that I am reading from is devoted to an analysis of the problem—

Mr. Deputy Speaker: I hope you won't read at any great length, quoting from a document, because that's not permitted.

Mr. Peterson: Well, Mr. Speaker, in our judgement—

Mr. Nixon: That's a new application. I haven't heard that since 1918.

Mr. Deputy Speaker: Not any one document anyway.

Mr. Shore: He has been reading for three hours, Mr. Speaker.

Mr. Nixon: He has copious notes, Mr. Speaker.

Mr. Peterson: If we can keep the interjections from the Chair down, Mr. Speaker, I can get through this a lot faster.

Mr. Conway: The Premier set a new low in that regard last Monday night.

An hon. member: You bet he did.

Mr. Peterson: This paper is devoted to an analysis of the problems facing small business in Ontario and the presentation of options for their solution.

[9:00]

All actions should be directed towards the development of business capacity for self-regulation and self-sufficiency. At the outset there are several factors that should be considered that constitute important parts of the environment in which small business operates. First, a study of small- and medium-sized businesses recently released by the European Economic Community says small- and medium-sized undertakings are important for job stability and the maintenance of industrial peace, and that legislation should be geared towards maintaining independent business.

Second, an extensive Canadian managerial and entrepreneurial class has failed to develop. The dynamic free enterprise system in Canada depends on Canadian entrepreneurs. Every small businessman is a manager, therefore a flourishing small business sector will automatically produce a strong Canadian entrepreneurial class.

Third, rising energy costs are making large, highly-automated capital- and energy-intensive centralized enterprises less viable. This problem brings to the fore the need to move in the direction of small, energy-conserving, labour-intensive industries. Small business has an important role to play in determining the future of the health of the Canadian economy.

Finally, governments at both the federal and provincial levels are increasingly becoming competitors with the private sector. In Ontario, this competition takes the form of direct government operation of services such as the Ontario Housing Corporation or occurs in the recruitment of personnel. Governments are often able to pay more for similar services, or can offer fringe benefits beyond the reach of the private sector, particularly to their friends.

Government activity dominance in these areas only serves to restrict the growth and prosperity of the private sector and therefore the economy as a whole. This competition is particularly harmful to the small business sector, as they do not have the capacity of large companies to compete with big government.

I want to, Mr. Speaker, if I can, and I'm going to spare you because—

Mr. Deputy Speaker: Order, please, the hon. member for Windsor-Riverside has a point of order.

Mr. Burr: Mr. Speaker, rule 16, section 4, says a member must not read unnecessarily—

Hon. Mr. Handleman: What do you say about the member for Ottawa Centre yesterday?

Mr. Burr: —unless he is complaining about something that has been said or is defending himself against misrepresentation. This is certainly not the case.

Mr. Roy: How often do you get up and speak without reading?

Mr. Deputy Speaker: The hon. member's point is well taken and I think the hon. member for London Centre has just completed his quote.

Mr. Peterson: I would say you are quite right, Mr. Speaker. I should say in fairness, I think maybe the distinguished hon. member's eyesight is failing. These are just notes. He can't distinguish between copious notes and a speech.

Hon. Mr. Handleman: Don't follow them quite so closely.

An hon. member: What about the Premier's speech last week?

Mr. Deputy Speaker: The hon. member for London Centre may continue.

Mr. Peterson: I just want to put into the record our suggestions to create a viable small business.

Hon. Mr. Welch: It is just a filibuster to stop us passing legislation.

Mr. Nixon: The other parties are not very interested in that.

Interjections.

Mr. Peterson: 1. We would establish entrepreneurial advisory centres to be funded by the government and administered by the private sector.

2. We would decentralize advisory services and locate centres in every municipality with a business community large enough to support one.

3. We would undertake an extensive advertising campaign to inform the public of the existence of the advisory centres and the services provided.

4. We would provide a special service to the advisory centres to allow businessmen to fill out a single application for financial assistance, which would be channelled to all agencies providing funding.

5. We would sponsor educational programmes and seminars to potential existing entrepreneurs given through community colleges, business associations, OECA and cable TV.

Mr. Wildman: Where can we get a copy of this?

Mr. Peterson: 6. We would allow a full tax deduction against other income for investment in venture capital corporations, for small business start-ups and expansion by both corporations and individuals.

7. We would provide for government sharing of losses actually experienced by financial institutions on loans provided to small businesses.

Mr. Deputy Speaker: I must again caution the hon. member that he can't quote at great length from any document.

Mr. Peterson: Sure, I can.

Mr. Deputy Speaker: No, you can't. No, you can't.

Mr. Peterson: Mr. Speaker, in fairness—

Mr. Deputy Speaker: No, you cannot.

Mr. Peterson: —these are notes that we are using to—this is just a short—

Mr. Deputy Speaker: Order, please. If that is your own speech, a speech of your own making, it is quite acceptable. But if you're going to quote at great length from another source, it is not permitted.

Mr. Peterson: Mr. Speaker, I wrote this in anticipation of this, so it is clearly my own work.

Mr. Deputy Speaker: I am sorry, I did not hear the hon. member.

Mr. Peterson: I wrote this, Mr. Speaker, clearly in anticipation of this.

Mr. Deputy Speaker: If that's of your own making you may continue. If you're quoting from another source, it's not permitted.

Mr. Grossman: What's the title of that document?

Hon. Mr. Welch: Dispense with it.

Mr. Ferris: There's a precedent if I ever heard one.

Mr. Peterson: And you must admit, Mr. Speaker, it's a very fine piece of work.

An hon. member: Who wrote the Premier's speech?

Mr. Nixon: So you can read it if you wrote it yourself, right, Mr. Speaker?

Mr. Peterson: We would clarify the role of the Ontario Development Corporation so they

would address themselves specifically to small business and expand it to include start-ups and a broader category of small business.

Hon. Mr. Welch: Why don't you table it?

Mr. Peterson: We would ensure that the Ontario Development Corporation emphasized the support of Canadian owner-managed firms.

10. We would enable the Ontario Development Corporation, under special circumstances, to take equity positions in small businesses.

11. We would extend the provision of government-assisted loans, negotiated through lending institutions.

12. We would encourage lending institutions to provide, at least, equitable financing and access to credit for small businesses.

Mr. Wildman: How?

Mr. Peterson: Would you like me to read it out?

Mr. Grossman: What is the title of the document?

Mr. Peterson: Mr. Speaker, there's a request.

Hon. Mr. Welch: Would you table that paper?

Mr. Makarchuk: We've read it.

An hon. member: He's reading the short form.

Mr. Peterson: We would lower the corporate tax cost to small business to assure their ability to develop internally-generated sources of equity capital. We would assist with payroll taxes for each individual worker employed by a firm in a given year, up to a net gain in manpower of a specified number of persons over a three-year period to create employment.

We would provide tax credits in the form of deductions against corporate income tax, for energy conservation investments. We would extend the forgivable succession duties on small business corporations to apply to businesses where shares are owned by more than one family.

We would simplify and integrate tax jurisdictions. We would urge the federal government to extend a five-year loss carry-forward limitation on non-capital losses under The Income Tax Act.

We would discourage government dominance of research activity by having each ministry and agency contract out as much

R and D work as possible. We would give preference to Canadian owner-managed businesses in allowing research grants and loans. We would require any innovation resulting from government-funded R and D conducted by foreign-owned firms be translated into jobs for Canadians in the secondary sector. We would simplify and streamline the application procedures and information programmes for R and D.

We would provide incentives to small industry-related businesses to form co-operatives for the provision of central services. We would undertake a publicity campaign to explain the benefits of co-operative associations. We would provide advisory service on the mechanics of establishing co-operatives.

We would undertake a preferential purchasing policy for all government contracts from small business. We would set a target of 40 per cent of all government contracts and sub-contracts to be awarded to small businesses within a three-year period.

Mr. Nixon: Only 50 per cent to the Tories.

Mr. Peterson: We would encourage big business to sub-contract to small business, particularly in government contracts.

Let me say, Mr. Speaker, the last recommendation is to establish a unit within the Ministry of Industry and Tourism promoting Ontario-produced goods, both domestically and internationally, particularly as a general marketing service for small business.

Mr. Nixon: That's a very good programme.

Mr. Peterson: I want to say, Mr. Speaker, if you wanted any more details, as was the request from one member, I would be happy to provide them.

Mr. Wildman: Absolutely not.

Mr. Maack: Why don't you just table it?

An hon. member: We don't mind if you steal our policy.

Mr. Peterson: You're very welcome to it. Interjections.

Mr. Deputy Speaker: Order, please.

An hon. member: It was a better speech than Segal's, eh?

Mr. Peterson: I want to deal briefly with two or three more matters, Mr. Speaker.

Mr. Grossman: Briefly?

An hon. member: I was just wondering if you could keep your head up.

Mr. Peterson: We, in the Liberal Party, are very, very uncomfortable and displeased with—

Mr. Eaton: Do you mean your leader?

Mr. Peterson: —the Treasurer's new projection of 5.3 per cent target of full employment. This means that something like 236,000 people have been resigned to being permanently unemployed in this province.

In his budget statement, the Treasurer described Ontario as being "unparalleled abundance" and is quite prepared to consider the province to have full employment while 236,000 people cannot find jobs, **nor is he willing** to design a strategy to assist them. We know of no other government in the western world that's prepared to accept this—that would lie down on its back with that kind of a rationalization and say: "We have hit full employment."

Mr. Warner: Give up.

Mr. Wildman: Supinely surrender.

Mr. Peterson: According to former federal Manpower Minister Andras, given a seven per cent unemployment rate, about four per cent is due to structural or frictional problems; 2.6 per cent is due to economic problems; three per cent is the result of problems with seasonal variation. The assumption that 2.6 per cent is caused by economic stresses can be addressed effectively and relatively quickly the acceptable rate of unemployment drops to 4.4 per cent. That's almost a full percentage point below the Treasurer's acceptable level.

I would like to remind the Treasurer that eight years ago Ontario had a functional unemployment rate of four per cent and that five years ago in an earlier budget he said, and I quote: "Any unemployment figure in excess of three per cent is not acceptable to the Ontario government." How this Treasurer changes his philosophy and his views consistently is to me very alarming.

Mr. Reed: Political expediency.

Mr. Peterson: I also bring to the Treasurer's attention the fact that in Saskatchewan and Alberta unemployment has been around four per cent for some time. How can it be in Ontario, this land of opportunity, that we are going to allow 1.3 per cent over that amount?

Mr. Wildman: Ontari-ari-ario.

Mr. Peterson: And as for the government's much-touted job creation programme, what does it really amount to? At a time when an additional 12,000 people, an increase of five per cent, are expected by the government to be unemployed in 1977, and when unemployment in the construction industry is running at 19.2 per cent as of January this year and 3,356 jobs are to be created in the construction sector at a cost of \$22,500 each, it is frankly a drop in the bucket.

Mr. Makarchuk: Right on.

Mr. Peterson: Yet these are the only jobs of any duration proposed in the budget. They are expected to be completed within this fiscal year. There will be no employment spin-off from these jobs because they are all in repair and expansion projects. There are no capital projects planned. This measure is no more than a holding tactic at best on the part of the government.

Mr. Nixon: Well, you can make jobs in the cabinet for only 45.

Mr. Peterson: We are not at all more encouraged with the job creation programme for Ontario's youth. With a single minor exception, not one of the jobs created is designed to last more than 16 weeks. This means most of the 143,000 unemployed in Ontario between the ages of 15 and 24, representing almost 15 per cent of the labour force in that age group, will be back on the job market in the fall.

Mr. Wildman: But they get 250 jobs.

Mr. Peterson: The expanded regular summer employment programme is a 16-week programme, as is the Experience 77 programme. While Ontario's Career Action Programme functions year-round, the jobs are only for 16 weeks in most cases although a very few are for 32 weeks.

Hon. Mr. Norton: There are 700 for year-round. What are you talking about?

Mr. Peterson: Read the budget.

Mr. Nixon: The population of the province is eight million.

Mr. Peterson: It is an apprenticeship-type programme that carries no guarantee of future employment.

The youth care for senior citizens, another 16-week programme, is creating employment for 250 young people in the budget at an exorbitant cost of \$10,400 per job. Finally, there is the new Ontario youth employment

programme. Contrary to the Treasurer's contention that the programme will provide a 16-week subsidy for up to 20,000 young people at a cost of \$10 million, in fact the programme will fund fewer than 16,000 summer jobs, each lasting only 16 weeks, and will not necessarily create one new job.

Mr. Nixon: Shame.

Mr. Peterson: That is up to the private sector to decide and the government hasn't done anything for the private sector. Ministry officials assured us there was no administrative cost involved in the funds allocated for this programme, which means that no attempt will be made to check whether the programme is functioning as intended. In other words, whether the subsidy is, in fact, being used to finance new jobs or whether existing employees will be fired and new ones hired to fill the same positions but at a subsidized rate, we don't know and we will never know it because already the government has set out a shoddy, superficial programme that allows it to go around and talk about 20,000 new jobs. In our view, it is functionally useless.

Mr. Wildman: Functional overlay.

Mr. Peterson: In sum, the Treasurer proposes to create 6,131 man-years of work for Ontario's youth but only one job for every 23 of our unemployed young people and only for the summer.

Mr. Conway: Shame.

Mr. Warner: Absolutely shameful.

Mr. Peterson: Ontario's total unemployed figure at this time is 312,000. Yet the Treasurer is proposing only 9,487 man-years of new job creation, one job for every 33 unemployed Ontarians. Even at this, the Treasurer's projection of 6.3 per cent unemployment remains substantially below the Conference Board's estimate of seven per cent for Ontario.

None of the other measures proposed in this budget will do anything directly to create jobs in the economy. In other words, not one single measure is directed towards long-term job creation. I don't know why, for example, and I agree with my friend, he couldn't raise the exemption up to 25 cents to keep the chocolate bar industry, for example, rolling at this time when it is in dire trouble. I don't know why he is so intransigent on these kinds of issues when all of the evidence has been before us that he should take that kind of action. To us, it is just elementary and we support that kind of a move.

[9:15]

One of the things that concerns us is that the Treasurer has really not come to grips with serious problems but he has attacked certain problems in certain funny ways as revenue-raising devices. It has been a failure in trying to deal with energy conservation, for example, through motor vehicle licences or dealing with litter through the pop can tax. He just fools around with it, using the tax mechanism as a device to punish certain kinds of unacceptable social behaviour. Why doesn't he address that form of behaviour?

The increased motor vehicle registration fee served no other purpose than to generate revenue. It's another Band-Aid solution. I've talked about this earlier, and our policy is clear on this: We think it's just a cheap trick to raise revenue.

Mr. Grossman: State your policy.

Mr. Foulds: That is their policy.

Mr. Peterson: The environmental tax also falls into the Band-Aid category. It's clearly meant to be a generator of provincial funds rather than a solution to solid waste pollution problems. This tax is a licence to litter; government now has a stake in litter. I can tell you, Mr. Speaker, when you give government a stake in this kind of thing they keep increasing their role and they never solve the problem.

Mr. Kerrio: It should have been a deposit.

Mr. Nixon: Just like the profit in booze—\$450 million this year.

Mr. Peterson: If the government was genuinely interested in reducing the volume of solid waste in Ontario, it would have introduced a five-cent deposit on all cans.

Mr. Kerrio: Taking it from the kids.

Mr. Peterson: Such a proposal makes far more sense, as it encourages people to return empty cans when they can be recycled. This is particularly important when it is realized that collection is the major cost—some estimates put it as high as 70 per cent—involved in recycling.

Mr. S. Smith: The member for Carleton should be Minister of the Environment.

Mr. Peterson: I just want to make a couple of remarks about the venture investment corporations proposal, which we think is half-baked and totally inadequate. What it's going to work out to—mark my words—is a tax dodge for major corporations and isn't really going

to solve the problem of creating new business or new jobs or new venture companies in this province.

Three years is long enough for a complete set of government proposals to have developed in this area, and it has taken three years of fooling around and mentions in almost every budget. Even this proposal will have little effect on small business. I want to quote Mr. Conrad again: "Rather than support venture investment corporations, which benefit only large companies, what is needed is a tax system to encourage individuals to invest in small business." Not venture capital corporations, but individuals. That's where it sits.

Hon. Mr. Handleman: That is what it is for.

Mr. Peterson: It is not. The minister should read the legislation; he doesn't understand it.

The Treasurer's proposal, on the other hand, will be mostly of benefit to large business. Past experience demonstrates clearly that venture capital corporations have a propensity for investing in larger, high-technology enterprises, usually for the international market. They are not normally labour-intensive and so contribute little to Ontario in terms of job creation.

Finally, while the Treasurer asserts that Ontario has demonstrated its concern for those in our society who are less fortunate, we find absolutely no provision for that kind of people. It really is, in my judgement and in our judgement, a big guy's budget.

I have laid before the House and the members a lot of policy matters that I wanted to raise, and I want you to permit me a couple of more remarks, if you will.

Mr. Conway: More. More.

Mr. Peterson: The Treasurer spoke at 1 o'clock today to the annual meeting of the Automotive Parts Manufacturers Association. This speech is just hot off the press. It's almost like the education policy of the government; the ink is still wet. But the Treasurer now is attempting, through a series of speeches, to explain the budget *ex post facto*.

I want to deal with some of the things he mentioned in that speech today because, in my judgement, it shows no contrition and no understanding of the issues that have developed after the presentation of the budget. I wish the Treasurer was here, because I must say it is a very deplorable speech. He said very nasty things about you, by the way, as per usual.

Mr. Lewis: Oh, he said delicious things about me. I am very pleased about it.

Mr. Peterson: I want to just take issue with some of his remarks. He said: "I call for a national industrial strategy that focuses our efforts on industries where Canadians have special talents and special skills." Clearly, what is lacking is an Ontario industrial strategy. It's a clear case of putting his responsibility over on to the feds; it's easy to do and it could be done if he had the will.

Hon. Mr. Handleman: How can you do that without controlling tariffs?

Mr. Cassidy: The minister shouldn't get so excited. He may not be back.

Mr. Peterson: He calls for "a major public assessment and review of the productivity problems in Canadian industry, along with examination of its capital requirements, and the development and implementation of a strategy for upgrading productivity." Let me tell you, Mr. Speaker, he's done nothing about it. He mentioned the auto pact in the last budget and he's done nothing about it since. He's just carping, complaining and shifting the responsibility.

He says: "This economy requires a boom in long-term investment." You know, he should talk to the Premier. The Premier was quoted as making a speech just a few days ago saying the problem with this province is that people aren't spending enough. He is trying to encourage people to spend, the Treasurer is trying to encourage people to invest. Those two should get together. One believes in the trickle-up theory, one believes in the trickle-down theory, and it's all going to trickle down right on all of your heads, pretty soon.

Interjection.

Mr. Peterson: You gave this speech last year, Marvin.

Mr. Speaker: Order, please. The hon. member for London Centre will continue his remarks.

Mr. Peterson: I probably won't go through the rest of this speech, I just commend it for humorous reading to everyone in the House.

I just want to say one thing before I wind up, on a personal note. I think a marvellous opportunity faces the government, and indeed, all the people of the Legislature at this time of national crisis. I am one of those people who believes that part of our problem, collectively, is that all parties, all levels of gov-

ernment, have not efficiently delivered services to the people of this country. They see incredible amounts of duplication. They see federal and provincial departments of labour; federal consumer and corporate affairs, provincial consumer and corporate affairs. I would say respectfully we are all in this together. Almost the whole history of federal-provincial relations has been one jurisdiction looking for a loophole or an area and jumping into that area, either for reasons of revenue or to assert their power as an election goodie.

It seems to me it is time for that kind of thing to stop, now. I would recommend to the government that they take a lead in this kind of thing; sit down, with a new redistribution of powers—

Interjections.

Mr. Speaker: Order. The hon. member for London Centre only, please.

Mr. Peterson: I just want to share this personal reflection, because I think it's going to be one of the keys to keeping this country together. It's not the whole answer, obviously, but it is one of the keys, that we make people feel we are not unnecessarily and continuously squandering their tax dollars. When we see these endless rounds of federal-provincial conferences, with minister of energy sparring with minister of energy; and industry and tourism against industry and tourism; and environment against environment; and all these kinds of things, in my judgement, it undermines the credibility of government at all levels.

I am saying we need a new separation of powers. You are going to have to give some up, you are going to have to take some; and you'll have to do it more efficiently. I assure you that with the good intentions expressed by the Leader of the Opposition and by my leader to this kind of thing, I feel very confident that you can involve all members of the House in that kind of co-operative effort. I recommend it to the House. I recommend it to you as fast as is humanly possible.

I was part of a commission from the University of Toronto Law School when it made a submission to the bi-and-bi commission about 1964, when I was very young. At that time, we suggested to the bi-and-bi commission that they look at a new redistribution of powers, that they look very closely at the German system where the upper house makes provincial appointments and has a substantial influence over national policy. I want you to know that I am still very much attracted to that kind of a philosophy and that kind of a point of view.

Hon. Mr. Taylor: That's where he got his energy policy.

Mr. Peterson: I leave it with the government to try to take some major initiatives in that kind of an area.

Hon. Mr. Handleman: Trudeau would never believe that.

Mr. Peterson: I am just coming to the end, and I must say I thank the members of the opposition and the worthy members opposite for their indulgence.

Mr. Conway: Marvin did that.

Mr. Peterson: I have enjoyed this. It has been a long time, and I have taken a lot of time of the House.

Mr. Conway: More, more.

Mr. Peterson: I appreciate the opportunity to lay our very solid, constructive proposals before this House. I can say to you that they are done as charitably, as honourably as can be done. We have some fundamental disagreements. Some are with the government's words, some are with its strategies, and a lot with its policies. We lay them there for you. Use them, pick them up, take them; we'd be delighted, we'd be flattered. You've done that before, you'll do it again; and we're delighted.

What we need now is not a lot more rhetoric and a lot more nonsense—I have contributed my share to that and I'm about to sit down—we need to start, collectively, with the great task of creating jobs tomorrow morning. There are lots of suggestions for you; take it up, use it, and good luck.

Hon. Mr. Handleman moved the adjournment of the debate.

Motion agreed to.

Mr. Lewis: Why was the minister in such a rush?

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT

(concluded)

Resuming the adjourned debate on the motion for second reading of Bill 28, An Act to amend The Residential Premises Rent Review Act, 1975.

Mr. Speaker: When we rose I believe the hon. member for Wentworth (Mr. Dears) had the floor, but he is obviously not here to continue his remarks.

Mr. Lewis: What do you mean, obviously?

Mr. Speaker: I can see. Is anybody else going to participate in this debate?

Mr. Lewis: We have about an hour, Mr. Speaker.

Mr. Speaker: I'm not putting a time limit on. I recognize the member for Riverdale.

Mr. S. Smith: Much ado about nothing.

Mr. Conway: We have had our Shakespeare for today, Jimmy.

Mr. Renwick: I have just a few remarks I'd like to make on the rent review bill.

Mr. Germa: Talk about Shakespeare.

Mr. Renwick: I have a very minor contribution to make in the unavoidable absence of my colleague, the member for Wentworth—

Mr. Eakins: You made it this afternoon.

Mr. Kerrio: He wasn't making much sense.

Mr. Renwick: —about the rent review bill. I think it is essential from the point of view of this party that we get on with this bill and get it passed. We've got to go through second reading. I anticipate there will be no division on second reading. I think the bill has then got to go into committee. We've given notice in accordance with the rules about the amendments which we propose to move to the bill, and we're prepared to expedite the passage of the bill.

There is, however, one comment that I wish to make, because of the confusion which arose at the end of last week when there was a certain fluttering among the dovescots of the Tories because the House leader was absent. When they had no speakers to rise on this bill at adjournment on Thursday afternoon, they then put up a series of speakers because they obviously didn't know how to cope with a proposal that in some way or other, at some point in time—

Hon. Mr. Handleman: A series—three?

Mr. Renwick: —the eight per cent should be reduced to six per cent. I want you to understand our position very clearly. We will move, as our first amendment in the committee of the whole House on this bill, that the eight per cent be reduced to six per cent. If that attracts the support of our colleagues on the left or, indeed of the government, then of course we should be quite happy.

If by chance it does not attract that kind of unanimous support or the support of the party on the left, we understand, from the press and from what has been said in the House, that the Liberal Party proposes to move an amendment to provide that the rent percentage be tied in some way to the AIB wage guidelines at that time. We're quite prepared to support that amendment, subject to a subamendment which we would move. We would move it to the Liberal amendment unless the Liberal amendment contains that provision. We would then support—as a second best to our own amendment, if it didn't achieve the support which we wanted—an amendment which said that we would go to the AIB guidelines on October 14, 1977, provided the maximum is six per cent. Now on those conditions we're quite prepared to support the Liberal Party's proposed amendment, if they wish to make it that.

Mr. S. Smith: That has the same effect; it has the same effect as your amendment—

Mr. Lewis: It has exactly the same effect, precisely.

Mr. Renwick: Or the Liberal Party can, if they wish, stop playing games over a period of a few months and come with us to a flat six per cent.

Mr. Lewis: That's our campaign slogan by the way—come with us. I want you to know that. Fashioned spontaneously, tonight.

Hon. Mr. Welch: Count us out.

Mr. Renwick: If I could say to my friend the House leader of the Conservative Party, with that peppercornish remark in this debate, I now take my seat.

[9:30]

Hon. Mr. Handleman: Mr. Speaker, it seems I have been waiting forever to make these wind-up remarks on this very important bill. I think I recall that when I opened the debate with very brief introductory remarks, constituting about 30 seconds in order to save time, I pointed out to the members of this House the urgency of passing this bill. I am a little disappointed in the member for Riverdale (Mr. Renwick) suggesting there was any intention on the part of the government or the government members to delay the passage of the bill.

Mr. Warner: You should have brought it in December.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: I think I should point out, Mr. Speaker, and get it on the record, that there have been nine speakers from the New Democratic Party on this bill.

Mr. Sargent: Why all of a sudden the hurry?

Hon. Mr. Handleman: Five from the Liberal Party and three from the Conservative Party.

Mr. Davidson: Your strategy was busted, wasn't it?

Hon. Mr. Handleman: I think it is unreasonable to suggest, and even arrogant to suggest, that there was any ulterior motive on the part of our members in speaking on this bill. In fact, many more of them wanted to speak but because of our concern for the interest of tenants we have decided to let this bill come to a voice vote tonight.

Mr. Nixon: Yes, but one of them was Frank Drea.

Hon. Mr. Handleman: The suggestion made by the member for Riverdale that we were trying to delay the passage of this bill is the kind of device that is—

Mr. Warner: You should have brought it in a month ago.

Mr. Lewis: You know that three government speakers on any bill constitutes a filibuster.

Mr. Cassidy: They couldn't get three different speakers on 30 bills.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: Mr. Speaker, I think that suggestion from the member for Riverdale smacks of the kind of hypocrisy which we have come to accept from that party.

Mr. Cassidy: You should know about hypocrisy, Sidney.

Mr. Warner: Why don't you resign? It is the only honourable thing you can do at this time.

Mr. Speaker: Order, please. Will the hon. minister keep his remarks as parliamentary as possible, and I consider that was not a very parliamentary remark. Will the hon. minister keep to the principle of the bill.

An hon. member: It will be the first time anybody did.

Hon. Mr. Handleman: Mr. Speaker, if the word hypocrisy is unparliamentary then I'll use the word sanctimonious, which I know has been used by the Leader of the Opposition himself to describe—

Mr. Nixon: How about unctuous?

Mr. Speaker: Order, please. Will the hon. minister continue with the bill.

Mr. Sargent: Tie a can of beer to it.

Mr. Speaker: Order.

Hon. Mr. Handleman: Mr. Speaker, many of the points which have been raised in the debate will be repeated later in clause-by-clause discussion in committee of the whole, and therefore I am going to restrain myself in commenting on them. It really is tempting to try to destroy some of those suggestions now but we will have an opportunity at some later date.

Mr. Davidson: You are a restraint.

Mr. Conway: Be sure you restrain the Premier (Mr. Davis).

Mr. Ferrier: No filibustering now.

Hon. Mr. Handleman: But I would be remiss, Mr. Speaker, if I allowed to go without comment some of the remarks which have been made and directed at me personally by some of the members opposite. Not all of the members adopted that approach, and I think I should single out the two who didn't in my view. I was somewhat warmed by the preliminary remarks of the member for Armourdale (Mr. Givens), who is not here tonight, and may not be here for very much longer, as I understand.

Mr. Warner: You scared him off.

Hon. Mr. Handleman: I was warmed by his remarks until he dashed cold water all over everything that I have done, but I think that is par for the course.

Mr. Conway: You are a bit of a cold fish.

Hon. Mr. Handleman: And the member for Cornwall (Mr. Samis), who is not here, spoke so reasonably on this particular bill.

Mr. Lewis: He is a very reasonable man.

Hon. Mr. Handleman: In much the same manner as I have been speaking for the past year and a half.

Mr. S. Smith: Does he also say it is a mess?

Mr. Nixon: Sounds like subversion.

Mrs. Campbell: Who says it's hypocrisy?

Hon. Mr. Handleman: I think it really is a remarkable thing that he is in that particular caucus. If he is not around here after a certain event I think I might ask him to come and give me some advice, because it is the kind of advice that I have been seeking.

Mr. Nixon: You won't be in the ministry.

Mr. Speaker: Order, please. We are wasting valuable time here. The hon. minister will continue with his remarks.

Hon. Mr. Handleman: Mr. Speaker, aside from those two members, the other speakers who very piously said they were going to approve this bill in principle, and obviously they are going to, spent the rest of their time, at considerable length, in tearing apart everything in the bill.

Mr. Lewis: Well, what is wrong with that?

Hon. Mr. Handleman: Nothing wrong of course; that is normal debate, blaming the government for it specifically. It is a government bill, I accept that; despite all the amendments which have been made by other parties. But specifically, of course, the criticisms seem to be directed at me as the minister responsible for the administration of the Act. That goes with the territory too, I am not suggesting it shouldn't; but what I would like is to have that criticism based on fact.

Mr. Conway: You sound like Duplessis.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: I don't think it should be based on hearsay; it shouldn't be based on backroom gossip; it shouldn't be based on headlines in the press which may or may not reflect the articles beneath them. I would like to set on the record my own personal position with regard to rent review as I have enunciated it across this province during the past year.

Mr. Warner: You are going to resign.

Mr. Cassidy: You have six minutes.

Mr. Speaker: Order, the hon. minister has the floor.

Hon. Mr. Handleman: I am a person who believes in the free market and I appreciate the benefits that system has brought to the people of Canada and the people of Ontario. Because of that belief, I am naturally apprehensive about over-regulation, about unwarranted intervention in the marketplace by government. I believe I share that apprehension.

sion with the majority of the members in this Legislature and the majority of the people in this province, and I think they will show that in the very near future.

Interjections.

Hon. Mr. Handleman: But that doesn't mean, Mr. Speaker, that there doesn't come a time for intervention, and the government must intervene when it is necessary. That time came in 1975 when legislation was introduced by the Minister of Housing.

Mr. Conway: Yes, because you were desperate for votes.

Hon. Mr. Handleman: It was needed in 1975 and it is needed in 1977—

Mr. Cassidy: Both election years.

Hon. Mr. Handleman: —and according to this bill, it is going to be needed in 1978. Despite the carping criticisms of some of the members of the opposition the legislation has worked.

Mr. S. Smith: Is it not a mess?

Hon. Mr. Handleman: It has worked well—and it is appreciated by the vast majority of the tenants in this province; and even by some of the landlords, surprisingly enough.

But what it hasn't done—and I wish the member for Cornwall was here—it has not solved the problem it was designed to meet. It has met the problem but it has not solved it. I think I have heard from almost every member in this House that the problem is the shortage of rental accommodation in this province. Rent review, rent control does not solve that problem, and I think every member in this House, if he was honest, would admit that.

That is what I have been saying, that rent review does not solve the problem. If anything it exacerbates it.

Mr. S. Smith: Neither have any of your other policies solved that problem.

Hon. Mr. Handleman: But that doesn't mean it is not necessary, that doesn't mean it hasn't worked; because what it was designed to do was to phase in—

Interjections.

Mr. Speaker: Order, please. The interjections are not adding to the calibre of the debate.

Hon. Mr. Handleman: Mr. Speaker, it seems to be an accepted technique of the

opposition to take every one of the measures introduced by government or proposed by government and deal with them in isolation from each other. There is nothing wrong with that, except that it doesn't give a full picture.

Mr. Wildman: You've got a lot to learn about opposition techniques.

Hon. Mr. Handleman: Mr. Speaker, the Speech from the Throne, while succinct, outlined the measures this government is bringing in to solve the problem, not just to meet it. Rent review is to meet it and it will do that.

Mr. S. Smith: Well stay here and solve it.

Hon. Mr. Handleman: Solutions are in the Speech from the Throne and have been introduced in this House by ministers responsible.

Mr. S. Smith: I didn't see anything in the Speech from Throne about an election.

Hon. Mr. Handleman: I want to put those measures each in turn, and then put them together and suggest to you, sir, that we are finding the solutions. They will not be overnight solutions, they will not be the push-button solutions the NDP will undoubtedly propose to the people of Ontario.

Mr. Lewis: What is going on here?

Hon. Mr. Handleman: The first measure—

Mr. Lewis: Are you personally announcing the election?

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: I am speaking in response to the arguments put forward by the members in this debate.

Mr. Lewis: You are a back-bench cabinet minister—

Mr. Speaker: Order, please. The hon. Leader of the Opposition does not have the floor, please.

Mr. Lewis: Well, Mr. Speaker, on a point of order.

Mr. Speaker: No.

Mr. Lewis: On a point of order. What do you call this?

Mr. Speaker: Order, please. That's not a point of order. The hon. minister has the floor to continue his remarks.

Mr. Hodgson: Sit down, Stephen.

Interjections.

Mr. Lewis: For the moment why don't you just say you've cleared the way for June 9 and it will stop all this nonsense?

Mr. Speaker: Order, please. Will the hon. member subside to his seat, please. The hon. minister.

An hon. member: We'll get Jack Stokes to throw you out.

Hon. Mr. Handleman: The hon. Leader of the Opposition wants to know what this is all about. It's too bad he wasn't here for the debate, because I am answering the points raised by his members and others during the debate; and I would like to have an opportunity to do so.

Mr. Lewis: I listened to the debate.

Hon. Mr. Handleman: The first measure which was announced in this Legislature, and went almost completely unnoticed, was, I think, a great achievement—the merger of AHOP, the federal programme, and the provincial HOME programme.

Mr. Lewis: That wasn't an achievement.

Hon. Mr. Handleman: It's not much of an achievement? I tried it three years ago on the then minister in Ottawa, Mr. Ron Basford, and was turned down completely. I think it is a great achievement. And it is the kind of thing—

Mr. Warner: You are too modest.

Hon. Mr. Handleman: —that the member for London Centre, in his comments, was talking about.

Mr. S. Smith: He is out of order, Mr. Speaker.

Hon. Mr. Handleman: It takes a great deal of persuasion to convince Ottawa to co-operate with the province in a programme for the people of this province, and that was done. I think my colleague deserves a great deal of praise for it; that's the kind of co-operative federalism we've been looking for.

Mr. S. Smith: Out of order, that is not addressed to the bill in any—

Hon. Mr. Handleman: And I think we can get more of it as we continue to bargain.

Mr. Ferrier: Out of order.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: The merger of these two programmes will make it possible for persons of modest income to own their own homes in those urban centres where the AHOP ceilings have been pierced.

Mr. Lewis: Oh, come on.

Mr. Martel: At \$30,000 a year?

Hon. Mr. Handleman: They want to know how many units this will result in, that's always the question. Put the figures into a computer and out comes the answer. Well that is not the way it is done in the private sector.

Mr. Ferrier: Back to the principle of the bill.

Hon. Mr. Handleman: This is going to affect the private sector considerably.

Mr. Lewis: This doesn't do anything for persons of modest income.

Hon. Mr. Handleman: Anyone who wishes to approach this problem with any kind of objectivity Mr. Speaker, cannot but recognize that when persons of modest income have an opportunity to own their own home they would rather do that than rent.

Interjection.

Hon. Mr. Handleman: Persons of modest income; in this province in 1977 \$8,000 and \$9,000 a year is modest income, and these people will be able to purchase under the merged programmes.

Mr. Lewis: No; they just compete for a limited number.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: There will be homes built specifically to sell to that market. Those people will move out of accommodation; some of it rented, some of it substandard, but it will free up rental units. How many? I don't know the answer to that, nor does anyone.

Mr. Lewis: About 10.

Mr. Martel: I thought you said it solved the problem.

Hon. Mr. Handleman: It's part of the solution. There is no single solution. Unfortunately for the NDP, that is not the way things happen. They would like to see it done that way but it won't happen that way.

Mr. Conway: I hear Otto Jelinek is moving.

Mr. Lewis: You are such fundamentalists over there.

Hon. Mr. Welch: Doctrinaire.

Hon. Mr. Handleman: Yes, the next step which was taken, also by the Minister of Housing, was the announcement of the rental incentive programme. This has been scorned by the New Democratic Party as giving us only 3,000 new units. That's the goal. The Minister of Housing, quite rightly I think, is being very conservative in his target, saying we will get 3,000 new units out of this incentive programme; mostly in Metro, some in Ottawa.

Mr. Wildman: Get on to the principle of the bill.

Hon. Mr. Handleman: If we add those 3,000 to the 1,500 units which were built under the federal programme, plus the 1,000 units which were built without any government assistance, it would appear there could be as many as 5,000 new units in the next 18 months in Metro, Ottawa, Thunder Bay—the areas this is designed to assist.

All that will do is add approximately one percentage point to the vacancy rate. One percentage point isn't very much. All we can do is we change it from two to three or one to two.

Mr. Lewis: It's a good thing you are in that portfolio.

Hon. Mr. Handleman: I listened to the member for Oshawa (Mr. Breaugh) talk about vacancy rates and he came up with a five per cent vacancy rate. That is what he suggests as a reasonable rate that we should be aiming for. I don't know whether he saw the report that was given to the city of Toronto by the organization called the Bureau of Municipal Research and looked at the vacancy rates in Toronto. Starting in 1971—that was the year many of us arrived here looking for rental accommodation, which was very plentiful, there was no shortage whatsoever. We all had good opportunity to get good rental at reasonable rates. The rate in December of 1971, which was a couple of months after many of us arrived here, was 2.4 per cent in the city of Toronto; in Metro it was 3.4. Most of us were looking for places in the city. It has never since 1971 in the city of Toronto been higher than 2.8 per cent and there were ample rental units available with that kind of a vacancy rate. Any talk of five per cent is absolute nonsense.

An hon. member: What about income?

Mr. Speaker: Order, please, every hon. member has had an opportunity to debate this bill. The minister is replying. Order, please, the hon. minister is supposed to be replying.

Hon. Mr. Handleman: I am responding to the points raised by hon. members, Mr. Speaker.

Mr. Conway: It's an election speech.

Hon. Mr. Handleman: The budget brought forward one incentive which apparently has not been related at all to rental accommodations. I notice that one of my colleagues—at least, in the NDP—on the economic and cultural nationalism select committee is here, and he may recall when we were discussing the possibility of putting barriers in the way of foreign ownership there were many people in the private sector came to us—and I must admit that I didn't listen to them too well—and warned us that if we put any kind of barriers in this kind of purchase there would be a lack of investment of a kind that we were trying quite frankly to stop, which was German investment in apartment units. There's a reason for that: German investors are able, under their own tax laws, to purchase apartments in Ontario and in Canada and, because of their own tax laws, they can either pay a higher price or accept a lower return than a Canadian investor can for exactly the same building.

Mr. Sargent: You are building slums.

Hon. Mr. Handleman: The 20 per cent land transfer tax cut that market off and, as a result, nobody in Germany has bought a building since that date. What has happened is that many builders, who built small apartment houses and then intended to sell them to an investor because they were not managers, were stuck with them—

Mr. Martel: We opposed the tax, if you recall.

Hon. Mr. Handleman: —and they had no money to go out and build new ones. Whether the member opposed it or not, that has been removed in the budget and adds another incentive to build rental accommodation in Ontario. Put those measures together—

Mr. Martel: We opposed it and so did you.

Mr. Lewis: Can you give us a stitch of evidence on that? Can you give us one concrete example?

Mr. Deputy Speaker: There is no obligation that the minister answer any question on second reading.

Hon. Mr. Handleman: I don't mind responding to the Leader of the Opposition on that. As Minister of Housing, shortly after the tax was introduced, I met with apartment owner after apartment owner who said that sales were in progress and were immediately cut off on the imposition of the tax. They needed their money in order to build more apartments.

Mr. Lewis: Give us one example.

Mr. Conway: Just one example.

Hon. Mr. Handleman: I have said I met with apartment owner after apartment owner, by the dozens, people from Hamilton, people from Kitchener, people from Metro, all of them saying the same thing.

[9:45]

Mr. Conway: Name one.

Mr. Nixon: You and Bill Kelly.

Hon. Mr. Handleman: Now you want me to pick out the name of somebody? No, I will not. I don't recall, three years ago—I recall the meetings and they didn't come in the ones. They came in the 10s and the 20s. So they were quite sincere about this.

Mr. Nixon: We warned you, Sydney.

Hon. Mr. Handleman: In any event, if anybody is thinking about this objectively, Mr. Speaker, they must recognize the removal of that tax will provide the kind of roll-over investment that we need to encourage people to build small apartment units in this province. That will happen once the tax—once it is known, at least, in foreign circles, that the tax now has been removed from that kind of investment.

Mr. Wildman: Are you going to advertise?

Hon. Mr. Handleman: Now the other aspect of this thing is that everybody's been saying that this is short-term; nobody's giving any thought to the future whatsoever, no programmes are in place. Well again, read the Speech from the Throne. I wish the member for Cornwall was here because he made some suggestions which were identical to suggestions that I made six months ago. We will be proposing to this Legislature and to the people of Ontario a number of policy alternatives; and there is a variety of these, Mr. Speaker.

Mr. Conway: The question is, can the government be believed?

Hon. Mr. Handleman: Oh, well—

Mr. Conway: We'll watch the Premier's words.

Hon. Mr. Handleman: We'll be believed enough so that we're in a position to come back and do it; and we will do it.

Mr. Deputy Speaker: Order, please. The hon. minister's remarks are appropriate as long as it's within the ambit of the principle of Bill 28.

Hon. Mr. Handleman: Again Mr. Speaker, I simply urge all members, as I have done before, to read that portion of the speech which deals with what our future course of action will be to develop the kind of alternatives that we need; if people accept that this is temporary legislation, and it's not temporary as long as you don't have an expiry date on it. There is no way that you can come back here, except if the legislation is temporary, and say well, we'll come back and we'll rescind the legislation when the time comes. If you set a date at least you have a target to try to meet, and I think that's exactly what we've done by putting that date on it.

One of the problems that came up during the debate, and it seemed to me speaker after speaker mentioned this, that what you have to do is give the tenant equal status with the landlord in hearings before the board. That is based, of course, on the whole idea of confrontation, the whole idea that this is adversary legislation, that you're pitting the tenant against the landlord. That really reflects a failure to understand the whole purpose of this legislation.

The onus to prove anything in this legislation is entirely on the landlord, regardless of who initiates the appeal. If the tenant brings the appeal, he immediately transfers the onus to the landlord to prove that the rent increase which is being appealed is justified. If the landlord is required to bring a review under the legislation, he must prove to the rent review officer that he is justified in asking for that. And really, it seems to me Mr. Speaker, there has been a conscious attempt to stir up the kind of confrontation which, as I said before, the NDP thrives on. Without that confrontation they really have nothing to offer the people.

Mr. Renwick: That doesn't make it non-adversary.

Mr. Cassidy: You weren't even letting tenants into some of the hearings.

Mr. Conway: Old iron-heels Sydney.

Hon. Mr. Handleman: It's my hope that we will be able to present to the people of Ontario—

Mr. Cassidy: You've stripped them of the right.

Hon. Mr. Handleman: —that series of policy alternatives to enable the government to have in place permanent legislation. I said in a number of speeches, and many of the members opposite have heard this, we can never go back to what it was before. Once you have intervened to this extent, you've established a future permanent programme. But it need not be rent control or rent review, and I'm suggesting that a programme of tenant protection is something that this government can and will bring forward for discussion among the people of Ontario. And as I say, I think the member for Cornwall may be free to give me some advice along those lines, and I'd be glad to ask him.

Mr. Warner: We all are.

Mr. Conway: You need a new parliamentary secretary.

Hon. Mr. Handleman: One of the problems that has come up in this—and I hate to open up old wounds on this, Mr. Speaker, because one of the members responsible happens to be in the House—but I see signs again of "let's take credit". The member for Oakwood (Mr. Grande) used that phrase over and over again in his speech.

Mr. Lewis: That's our new election slogan: "Let's take credit."

Hon. Mr. Handleman: Who's going to take credit for this? Who can take credit for this?

Mr. Lewis: We found it tonight.

Hon. Mr. Handleman: There's nothing new about that.

Mr. Conway: Darcy's given you a pretty good head start.

Hon. Mr. Handleman: There's nothing new about it at all, but I really—

Mr. Lewis: We are sticking with the first one.

Hon. Mr. Handleman: I really can't pass up this opportunity to read it into Hansard that crushingly revealing paragraph—

Mr. Nixon: Are you going to permit this reading, Mr. Speaker?

Hon. Mr. Handleman: —in the famous caucus memorandum which is co-authored by the member for Ottawa Centre and the member for Durham East (Mr. Moffat). I'm reading very briefly from another document. It reads as follows and I quote: "We must be seen to be initiating the pressure to extend rent review."

Mr. Bain: Not only be the pressure, but be seen to be the pressure.

Hon. Mr. Handleman: "If the Tories eventually agree, as is likely"—their prognostication is somewhat correct—"we then still win credit." Great phrase. You've got to win credit or what's the use of doing anything?

Mr. Nixon: Did you get that in a plain brown envelope?

Hon. Mr. Handleman: I continue to read: "If the Tories don't agree, then we stand alone as the party which works for tenants". And, gentlemen, it goes on to say: "If we can make the Liberals make a clear anti-tenant vote along the way, so much the better."

Interjections.

Mr. Cassidy: On a matter of privilege—

Mr. Deputy Speaker: A matter of privilege?

Mr. Cassidy: Yes, I think it should be put on the record that it is because of the pressure of the NDP that we ever got this protection for tenants in the first place.

Mr. Nixon: That wasn't even a good interjection.

Hon. Mr. Handleman: If I may continue on the point of order, the NDP is going to claim forever for it.

Mr. Lewis: That document was called the corporate overview, 1976-80.

Hon. Mr. Handleman: It is so typical because it doesn't seem that really there is any concern here to help the people; let's get credit for, and never worry about it.

Mr. S. Smith: You never do that.

Mr. Conway: What have you got Darwin Kealey doing, Sydney; is he out taking alms?

Hon. Mr. Handleman: There is one other point that I really must dwell upon, because there's been a great deal of speculation—

Interjections.

Mr. Deputy Speaker: Order.

Hon. Mr. Handleman: There has been a great deal of speculation on one other point and that is the proposed amendment which was announced by the member for Perth in his opening remarks last week.

Mr. Conway: Another sycophant looking for a public job.

Hon. Mr. Handleman: Now I know what the New Democratic amendment is, they have made no bones about it. They have said all along that they would move to reduce the guidelines from eight per cent to six per cent and hang the consequences. Never mind what will happen, that will be seen by the tenants of Ontario to be in their interests. Whether it is or not, it will be seen by them.

Mr. Bain: It is, it is.

Hon. Mr. Handleman: I accept the fact that that is a very simple thing to try to explain. I happen to have more respect for the intelligence of tenants than that; but okay, that is what the NDP amendment is going to say. But the Liberals have suggested that they will introduce an amendment which does not contain any figure, which ties us to an order in council passed by the federal cabinet, which can be rescinded, changed, altered at any time—

Mr. S. Smith: It is known as the Anti-Inflation Board. The Anti-Inflation Board is mentioned by the Treasurer from time to time, that great phrase AIB.

Hon. Mr. Handleman: If they look at the regulation, the regulation is passed by the Governor General in Council, which is the federal cabinet; no matter how they cut it, that is the way it is going to be done.

That is not surprising coming from the Liberals, but what really surprises me is, before we sent the compendium, which showed why we had arrived at eight per cent in our Act—and we gave all the figures—before we had sent the compendium the leader of the Liberal Party said he couldn't see very much wrong with eight per cent.

Mr. Nixon: Let wages be tied to six per cent, you are still going to stick with eight per cent.

Hon. Mr. Handleman: I suppose we made the mistake of providing them with too much information to prove that eight per cent was in fact logical and was not something that had been pulled out of the air—

Mr. S. Smith: That is right, and it affects people's wages.

Mr. Nixon: You never learn, do you?

Hon. Mr. Handleman: —but was arithmetically calculated, based on certain cost components.

Mr. S. Smith: The Treasurer likes the AIB.

Hon. Mr. Handleman: Once he had seen that, then we get the amendment to say, you know, "we must try not to be seen as anti-tenant voters, according to the NDP memorandum, we must try to get some of that credit."

Mr. S. Smith: You control wages, you control rents.

Hon. Mr. Handleman: That is the amendment they are going to be bringing in. But I don't see much point in providing a compendium if it's not going to be read.

Mr. Nixon: Wait until the reeve of Nepean gets to you.

Hon. Mr. Handleman: Almost every speaker, except the member for Perth, suggested that they had seen no information to justify the 8 per cent. I suppose the member for Perth did not share the compendium with his other colleagues; but we sent it to them, we showed them why. I think perhaps we now have to put it into the record, because nobody else has seen it.

Mr. Nixon: He made a knowledgeable and reasonable speech.

Mr. S. Smith: Why did you leave yourself the loophole that you could lower it at any time? What was that about?

Hon. Mr. Handleman: Because the figures may change, right? Exactly.

Interjections.

Mr. Nixon: And you would do it by order in council.

Mr. Conway: Just like Spadina.

Mr. Ruston: Two weeks before the election, lower it.

Hon. Mr. Handleman: When the figures do change, under our Act we will have to give as much as 120 days advance knowledge of it so that the system can work.

Mr. Ruston: Just before the election.

Hon. Mr. Handleman: There are certain timeframes in the legislation, in The Landlord and Tenant Act. At the moment there is no reason to lower that figure, and until you have those figures it seems to me irresponsible to suggest lowering it.

Mr. S. Smith: Like mid-campaign.

Hon. Mr. Handleman: If I may mention what the figures are, municipal taxes, which on the average in Ontario constitute 25 per cent of operating costs in rental units, have an inflation factor of 13 per cent according to the best information we have been able to obtain.

Mr. S. Smith: Do you expect them to go down, and energy prices to go down?

Mr. Deputy Speaker: Order, please. During the course of this debate the members of the opposition have asked several questions. I'm sure they expected a reply. Please do courtesy to the minister and allow him to be heard.

Mr. Conway: We didn't expect an election.

Hon. Mr. Handleman: Thank you, Mr. Speaker. Maintenance and repairs constitute nine per cent of the cost and will have an inflation factor of approximately 10 per cent based on wage guidelines. Administrative costs, which form nine per cent of the costs, will have an inflation factor of approximately 20 per cent due to some legislative changes in Ottawa and, of course, the continuation of rent review. Fuel costs, which constitute seven per cent of the costs, are expected to rise by 30 per cent. Electricity and water costs are expected to increase by approximately 12 per cent.

Mr. Conway: The road to Damascus.

Mr. Davidson: You implemented them.

Hon. Mr. Handleman: These five factors, none of which have an inflation factor below 10 per cent, constitute approximately 55 per cent of the total operating costs on the average. That doesn't mean some landlords will experience less and others more, but they are the only reliable figures we have at the present time.

Mr. Davidson: The government implemented them.

Mr. Conway: Sydney on the road to Damascus.

Mr. Deputy Speaker: Will the member for Renfrew North stop his yammering?

Hon. Mr. Handleman: So, using the figures we have, using the inflation factors we have and the weighting factors we have, we have given to both opposition parties the figures we have and which they have, to show that the operating costs will rise by approximately 8.65 per cent. It could be less or it could be more, but the eight per cent seems to us—and I see no evidence from anybody to suggest otherwise—to be supported by the facts that we all have available to us now.

Aside from the fact that we have arithmetic figures to show that eight per cent is a reasonable guideline, and it's not a ceiling, it doesn't provide any right to the tenant that he doesn't have now. Six per cent won't give him any more than he now has. He can appeal any rent increase, whether it's one per cent or seven per cent.

Mr. Warner: That makes just about as much sense as we can expect.

Hon. Mr. Handleman: That's our rationale. Aside from the fact that other provinces have put in higher guidelines, Manitoba and Saskatchewan are both over eight per cent. British Columbia, which has had rent review over 3½ years now, has just recently, effective in three months from now, reduced theirs to seven per cent; seven per cent and not six per cent.

Mr. Lewis: Do you know what the vacancy rates in Victoria are now? Close to 10 per cent, with rent controls.

Hon. Mr. Handleman: I am told that the Act in British Columbia now effectively applies only to greater Vancouver and this is where it's going to be used most of the time.

Mr. Lewis: That is right and the vacancy rates went up.

Hon. Mr. Handleman: If I can get back to the proposed Liberal amendment, by tying the guidelines to the action of the federal government over which we have no control—

Mr. Davidson: Oh, you've tied everything else to it.

Hon. Mr. Handleman: We haven't tied anything to it. If members look at the bill they'll see no reference whatsoever to the federal government or to AIB.

Mr. Nixon: You have surrendered all the wage controls to them.

Hon. Mr. Handleman: We have an expiry date of December 31, 1978. That's been set by this government and this Legislature. It has nothing to do with the federal government.

Mr. Nixon: What a hypocrite; what a cheap comment.

Mr. S. Smith: The Treasurer loves the AIB. Why don't you listen to him?

Hon. Mr. Handleman: I can understand the Liberal Party being willing to give the federal government the right to amend our legislation. That goes with their game.

Mr. S. Smith: Just as you gave them the right to set the wages of this province.

Hon. Mr. Handleman: There's nothing in my legislation that says anything about the federal government.

Mr. Roy: You signed us over.

Mr. Nixon: Even the Supreme Court said you were wrong, 9-0.

Mr. Ruston: Nine-zip.

Hon. Mr. Handleman: I should point out as clearly as possible, notwithstanding all the other factors, that the effect of lowering the guideline below eight per cent can only result in higher rents in this province. I know that, again, is something that the opposition would rather gloss over. We will be seen to be the champions of the tenant.

Mr. Nixon: You are the glosser.

Hon. Mr. Handleman: Perhaps I can have a moment just to explain how that can come about, because it isn't difficult, and I'm sure that most of the members of the opposition will be able to understand this.

At the present time, the major landlords in the province, aside from the one in my riding that the member for Ottawa Centre knows about since it's headed up by one of his former campaign managers, aside from that one, most of the major landlords in this province have accepted eight per cent, and if a tenant wanted to appeal that he had every right to do it. Some of those tenants have, in fact, done that, but that has been the guideline accepted by major landlords. They're not suffering under it, and I would suggest that there is no way that they would suffer under it because they have other investments and they can smooth out any problems they have.

Mr. Nixon: Oh, they are providing rental accommodation at a loss, is that what you are saying?

Hon. Mr. Handleman: However, and we've checked this with them, if the guideline goes to six per cent, it is a figure that they will not be able to offer voluntarily to their tenants and, if they don't, they certainly won't be offering eight per cent, they'll be offering 15 or 16 per cent.

Mr. Good: Let them go to the rent review board.

Hon. Mr. Handleman: Then they'll go to rent review and they'll have to justify it, but the average rent increases in this province that have gone to rent review have been over 12 per cent.

Mr. Nixon: That is the way the procedure is supposed to work.

[10:00]

Hon. Mr. Handleman: I'm suggesting to you, and to the members opposite, Mr. Speaker, that if you do that the average rent increase may be 11 per cent or it may be only 10 per cent, but it's not going to be eight per cent because they will be able to justify higher costs. If they go to the costs of going to rent review, they are going to apply for more than eight and they are going probably without prejudging—

Interjections.

Mr. Nixon: It sounds like you are inviting them.

Hon. Mr. Handleman: I haven't invited them.

Interjections.

Hon. Mr. Handleman: It's a quasi-judicial process. The rent review offices will deal with figures as they are put before them.

Mr. Lewis: That's a terribly irresponsible invitation to increase rents all across the province.

Hon. Mr. Handleman: It is no invitation at all.

Mr. Lewis: You have invited landlords to increase rents.

Hon. Mr. Handleman: The landlords have been satisfied—

Mr. Lewis: You have no right to. It is a disgrace to the principle of this bill.

Hon. Mr. Handleman: I know the facts hurt but that is going to be the effect of this bill.

Mr. Lewis: You have invited it.

Hon. Mr. Handleman: I hope it won't be the effect of this bill.

Interjections.

Hon. Mr. Handleman: But there is no reason to believe it. Telegrams are starting to pour in now.

Interjections.

Mr. Wildman: Bring us back the member for Sault Ste. Marie (Mr. Rhodes).

Mr. Deputy Speaker: Order, please.

Interjections.

Hon. Mr. Handleman: We are talking about the major landlords. We are talking about landlords who account for up to 200,000 units in this province who have not gone to rent review.

Mr. Lewis: You urge them to go.

Hon. Mr. Handleman: I am not urging them to go. They have sent telegrams. They have given us phone calls. I would regret the fact that they may go because there are 200,000 units.

Mr. Lewis: Why do you change your tune?

Hon. Mr. Handleman: There goes the fight for credit again and the fight for credit is on.

Mr. Cassidy: Table those telegrams. Who is trying to intimidate the Legislature?

Hon. Mr. Handleman: Absolutely no—

Interjections.

Hon. Mr. Handleman: I think some of the members opposite have received some of them.

Interjections.

Hon. Mr. Handleman: I have discussed vacancy rates very briefly. There has been some suggestion that we should have this Act guided by vacancy rates in various localities.

I am sure the hon. members know that if the vacancy rate, say, in Barrie is four per cent, if we decide to free it up while the vacancy rate in Metro is two and we keep rent control here, there is a possibility that a landlord who has units in Metro might also have units in Barrie and he might be tempted to try to make up whatever he feels he is losing in Toronto.

Mr. Lewis: Another invitation to the landlords. You are just unbelievable.

Hon. Mr. Handleman: We haven't done it. That won't happen. That is very good of the Leader of the Opposition. It has been proposed by that side of the House, not by this side of the House.

Mr. Lewis: You are running on a platform of rent increase.

Mr. Deputy Speaker: Will the Leader of the Opposition come to order and will the minister ignore the interjections.

Interjections.

Hon. Mr. Handleman: I don't want to belabour the vacancy rate but perhaps I might explain to some of the members of the House how those vacancy rates are obtained. First of all, they are obtained in only 22 urban centres in all of Canada, eight in Ontario. I am sorry, nine in Ontario. I want to be accurate because we should know what we are talking about here.

Mr. Wildman: What about Sault Ste. Marie?

Hon. Mr. Handleman: The vacancy rates in Ontario range from 0.2 in Thunder Bay to 3.1 per cent in some city in Ontario called Ottawa-Hull. When I tried to find for the benefit of my friend from Ottawa Centre what the vacancy rate in Ottawa was, I was told CMHC doesn't keep those figures so you can weight that one out and that means we have eight in Ontario that have any reliability at all. They give you no vacancy rates on kinds of apartments but we know from our own figures that there is a surplus of three-bedroom apartments and a shortage of one bedroom apartments. What good a vacancy rate is in determining whether one should have or should not have rent review I really don't know.

Mr. Ferris: Oh, be serious.

Hon. Mr. Handleman: Vacancy rates in a small locality can change dramatically from one day to another, depending on when the survey is taken.

Mr. Foulds: That's why when you get a vacancy in Thunder Bay it goes up one per cent.

Hon. Mr. Handleman: Sure, exactly.

Mr. Wildman: My colleague says the largest vacancy rate is in your head.

Hon. Mr. Handleman: The member for Wilson Heights isn't here. All I can say is that he mentioned the business of providing the tenants with copies and he said we should be doing it. We now have had copy machines in our rent review offices across this province for several months. They are being used by some people but not as much perhaps as people thought they might be.

Mr. Cassidy: You were so grudging with that that it hurt.

Hon. Mr. Handleman: They are not being used to the fullest possible extent but in any case they are there.

Mr. Cassidy: You turned off every tenant in the province first.

Hon. Mr. Handleman: The suggestion that they are not there indicates again a lack of knowledge about the bill. One of the members opposite—I think it was the member for Scarborough-Ellesmere—suggested we should put the name of the landlord in the lobby and I think that's an excellent suggestion. In fact, it is so good we did it a year and a half ago. It is in The Landlord and Tenant Act. It has been there ever since that member has been in the House. It is a great idea.

Mr. Wildman: But most of them don't follow it.

Hon. Mr. Handleman: We have accepted that one, so he can take that out of his list of objections. We have been told that this programme is administratively complex, and it is. There is no question about it. Rent is not a simple thing. There are a tremendous number of factors that have to be taken into account.

I'd like right now, Mr. Speaker, despite some of the criticism that we heard of the staff, to pay tribute to the staff for making this thing work despite the kinds of provocations and, to some extent, interference they have received from many members in this Legislature. I said before in these remarks that the operation of the rent review programme is quasi-judicial in nature.

Mr. Nixon: What members have interfered? That's irresponsible.

Hon. Mr. Handleman: It should be allowed to operate without people calling the rent review officer in the middle of his deliberations.

Interjection.

Mr. Deputy Speaker: Order, please. Let's have some order.

Hon. Mr. Handleman: I have no objection to any member of this Legislature appearing at a rent review hearing either as an observer or on behalf of the party to the hearing. But there have been cases where people have called rent review officers and rent review board members—

Mr. Renwick: I should hope not.

Hon. Mr. Handleman: —while they're deliberating on the evidence that has been given before them, and really I suggest that that should be allowed without pressure.

Mr. Sargent: But it's okay for Eddie Goodman to appear.

Mr. Wildman: Name one.

Hon. Mr. Handleman: I have stayed faithfully away from those people and allowed them to do their job as they're trained to do it, and I think that's the way it should be.

An hon member: Name one.

Mr. Lewis: On a point of order—

Mr. Deputy Speaker: Order, please. There is no point of order.

Mr. Deputy Speaker suspended the proceedings of the House for 10 minutes.

On resumption:

[10:15]

Mr. Deputy Speaker: When the House was suspended for 10 minutes the hon. Leader of the Opposition seemed to be rising on a point of order. If he has a legitimate point of order, I'll hear it.

POINT OF ORDER

Mr. Lewis: I must admit to you, Mr. Speaker, I don't know whether it's a point of order or a point of privilege, but the Minister of Consumer and Commercial Relations had indicated quite specifically in his remarks that members of this Legislature had interfered in the rent review process which he himself had called a quasi-judicial proceeding. It seems to me that those are very serious accusations to level at the Legislature holus-bolus, involving more than one person—the minister said several members of the Legislature—and I think that if the minister is going to make that kind of charge, he has an obligation to name the individuals who have allegedly interfered. I was surprised and taken aback at the way in which he put that, and that's why I rose.

Mr. Sargent: Withdraw.

Hon. Mr. Handleman: If I have in any way impugned the integrity of any member of this Legislature, Mr. Speaker, I would like to withdraw those comments. There is no question in my mind that there have been calls from members to rent review officers during the course of their deliberations, sir; I think the time for that is at the rent review hearing or after the issuing of an order, but not before.

Mr. Deputy Speaker: Let's make it quite clear. It is a serious allegation for any member of this House to cast aspersions on all members of the House without being more specific, and I think it's very serious for any member to charge another member with interfering with the normal duties of civil servants in the course of their duties. So unless the minister wants to be more specific, I think he should withdraw the allegation and withdraw it unequivocally.

Hon. Mr. Handleman: I certainly don't want to name any hon. members without naming all, Mr. Speaker; I'm not in a position to do that, so I withdraw the allegation.

Mr. Deputy Speaker: The hon. minister may proceed.

Hon. Mr. Handleman: As I was about to say before the Leader of the Opposition rose on that point of order, Mr. Speaker, I wanted to thank you very much for maintaining order during this debate. That ends my winding-up speech. I look forward to the calling of the vote.

Motion agreed to.

Ordered for committee of the whole House.

ESSEX COUNTY FRENCH-LANGUAGE SECONDARY SCHOOL ACT (continued)

Resumption of the adjourned debate on the motion for second reading of Bill 31, An Act to require the Essex County Board of Education to provide a French-Language Secondary School.

Mr. Deputy Speaker: It's my understanding that the last speaker in the debate was the hon. member for Hamilton West. In the normal progression, if there's any member from the Conservative Party—I'll recognize the hon. member for Scarborough Centre.

Mr. Drea: Thank you, Mr. Speaker. I shall be brief. I think the previous speakers—

Mr. Bounsall: Point of order, Mr. Speaker. I adjourned the debate at the close of the last hearing, but if the member for Scarborough Centre wishes to have the floor—

Mr. Deputy Speaker: In the interests of equal time it seems to me that we should rotate the speakers and the natural order of sequence would be a member of the government party. The hon. member for Scarborough Centre.

Mr. Lewis: This is a good time.

Mr. Roy: You can have a saw-off and call a member of ours.

Mr. Drea: Mr. Speaker, I rise in support of this bill. The previous speakers have been very eloquent in their support of this legislation; not only their support but indeed their personal feelings which deal upon the background of this legislation. I want to compliment my friend and colleague from Scarborough North, the hon. Minister of Education, for going into such great detail, not only about this bill but indeed about the whole history, good and bad, of the educational opportunities granted and denied to minority groups over more than a century in this province.

I would hope this bill does not result in emotional feelings because it boils down to one thing—there is a law, the law must be obeyed.

Mr. Roy: You are wrong there. There is no law.

Mr. Drea: I find it very difficult to understand—

Mr. Nixon: There is no law yet, that's why we are here.

Mr. Drea: There is a law.

Mr. Nixon: It is permissive.

Mr. Drea: There is a procedure by which the minority in this province has the right to obtain schooling in its own language.

Mr. Nixon: It is permissive and not obligatory. That is what is wrong with it.

Mr. Deputy Speaker: Order, please.

Mr. Drea: Mr. Speaker, I say to you, if that law is not obeyed then no one in this Legislature has the right to point the finger at some of those apparitions in Quebec who want to break the law. It is that simple.

Mr. Nixon: You are dreaming.

Mr. Roy: On a point of order, Mr. Speaker—

Mr. Deputy Speaker: There is nothing out of order.

Mr. Sargent: Yes there is.

Mr. Deputy Speaker: Order, please. Every member of this Legislature has a right to be heard. You may disagree with him—

Mr. Sargent: He can raise a point of order if he wants to.

Mr. Deputy Speaker: You may disagree with him, but he has a right to be heard. There is nothing out of order, so there is no point of order.

Mr. Sargent: Stay up on your point of order; stay up there.

Mr. Deputy Speaker: Order, please. The hon. member for Scarborough Centre may continue uninterrupted.

Mr. Sargent: State your point of order.

Interjections.

Mr. Deputy Speaker: There is nothing out of order. He has a right to be heard. He even has a right to be wrong, but he has a right to be heard.

Mr. Lewis: Frank, what word did you use? Did you say aberrations?

Mr. Drea: Apparitions, and if it offends sensitivities in here that I called Rene Levesque an apparition then so be it.

Mr. Roy: That is not the point. It is just that you are wrong on the law.

Mr. Drea: I am not wrong on the law.

Mr. Roy: Of course, you don't know any better, that is why.

Mr. Drea: I belong to a minority group in this province—

Mr. Roy: You are not kidding.

Mr. Ruston: One of 125.

Mr. Drea: Mr. Speaker, with all due respect, I don't think that is a remark that calls for humour.

I am a member of a minority group in this province. In the field of education, as a Roman Catholic who supports the separate schools, if it were not for the majority of people in this province obeying the law then my minority group would not have the educational system that it has today in the separate school system.

Mr. Nixon: Nobody is breaking the law.

Mr. Drea: My children would not have their educational opportunities.

Mr. Nixon: Baloney. Nobody is breaking the law.

Mr. S. Smith: What law are you talking about?

Mr. Drea: To me this is a very fundamental proposition.

Mr. Nixon: Why don't you get it right then?

Mr. Drea: Like the member for Carleton East (Ms. Gigantes) it grieves me somewhat that the Legislature has to come to this confrontation on the issue. I would have hoped that common sense, goodwill and above all the determination in this province that the majority must not only protect the rights of the minority, it must enhance them because that is the way that the minority, and all those in the minorities that will come, blends into a very common culture and into a single province, and without that it is useless to attempt anything toward national unity. It starts at home.

I am very pleased to support this bill. I compliment the Minister of Education on his courage, his integrity and his forthrightness for bringing it before the House at this time.

Mr. Nixon: Of course, you are trying to get into the cabinet.

Mr. Bounsall: I also rise in support of Bill 31. My mind, intellect and sense of justice and fairness are totally committed to the establishment of this French-language secondary school for Windsor and Essex county. I rejoice with the francophones as they near the end of their eight-year torturous struggle but my heart as well o'erflows with sorrow and dismay that there should ever have been required to come before this Legislature a bill so tragically entitled An Act to require the Essex County Board of Education to provide a French-Language Secondary School, a title that would cause, I would think, even the most casual visitor in the gallery today to think, "My God, what must have been going on in Essex county? What must be the history of anger and hatred and heartache and lack of interhuman understanding and tolerance that this would—"

Interjection.

Mr. Bounsall: "—require a bill like this to be debated here?"

I commend the Minister of Education for his opening address when he outlined so thoroughly and accurately, step by step, the history from 1969 to the present day that so clearly indicated why it is so imperative for us, the members of this Legislature, to support the principle of this bill, the provision of a French-language secondary school for the students of Windsor and Essex county.

The wording of the clauses of this bill is stark and uncompromising, brutal almost, but necessary, and leave no doubt as to what our intentions are: "On the day this Act comes into force, the board is deemed to have passed a resolution to construct a building . . ." It further leaves no doubt that it is to be a new school with the words "within 30 days . . . the board shall . . . select a site . . . that is not . . . the location of an existing school." The minister has now so belatedly—and lamentably, I am sure—judged the depth of feeling and emotions in Essex county for it pounds yet further forward: "Where . . . the board fails to take the action . . . the minister may thereupon cause all such things to be done as are necessary to construct the school."

Mr. Speaker: If I may inquire, has the hon. member further remarks to make? If so, he might adjourn the debate.

Mr. Bounsall: Yes, Mr. Speaker, I do. I will continue at the next time with the remarks dealing with—rather than having such a stark and uncompromising a bill as we have before us—the alternative which we would have preferred to have seen.

Mr. Bounsall moved the adjournment of the debate.

Motion agreed to.

Mr. Speaker: In accordance with our announcement this afternoon and in conformance with standing order 28(a) I deem a motion to adjourn to have been made, and will call the order of business as announced earlier.

As announced earlier this afternoon, in accordance with standing order 27(g) and provisional standing order 4, due notice was given on two counts of matters to be debated at the close of this evening's session.

I call upon first of all the member for Brantford who has announced that he was dissatisfied with the answer given by the Minister of Revenue (Mrs. Scrivener). The hon. member for Brantford has five minutes.

[10:30]

LAND SPECULATION TAX EXEMPTION

Mr. Makarchuk: On April 4, 1975 Lynden Hill Farms sold 197.491 acres of land to Lenendorff Services. The sale price was \$20,254 per acre and the total sale price was \$4 million. The property was purchased and owned by Maxwell J. Webster, a name that is not unknown in Ontario racing circles, or for that matter, in the Tory party. He bought it in May 1972 for \$120,000, approximately \$1,200 per acre.

Unlike the Ronto situation, there is no argument as to whether the property was owned before or after April 9, 1974, the date that the speculation tax came into effect. What is of concern in this case is did Lynden Hill Farms pay tax, or did they not pay the speculation tax?

Despite questions in the House and on the order paper, the minister is evasive and refuses to answer. In fact, I get the impression—and this is shared by others—that the government is trying to stonewall all inquiries into exemptions granted under the land speculation tax.

Mr. Shore: You've got to be out of your mind.

Mr. Grossman: So, what else is new?

Mr. Makarchuk: It is important to know if this tax was paid, because if Lynden Hill Farms paid tax, then the question arises—why wasn't tax levied against Ronto?

Also of concern is the amount of tax, if any; was it collected and on what basis? The minister should realize that the property appreciated in value because the land was officially annexed by the city of Brantford in October 1974, although the OMB approval was given on July 4, 1974. I should again point out that the sale was in 1975.

The minister should also be aware that the annexation occurred after April 9, 1974, and the tax should have been assessed on the fair market value of the property as of that date. Assuming that the ministry officials did their own audit and did not blindly accept the submission of some lawyers, they will probably find out that at that time in that area, land was being sold between \$6,000 and \$10,000 an acre on valuation day. Therefore, it is conceivable that Lynden Hill Farms could owe the province close to \$4 million in speculation tax. The exemption to Ronto was \$2 million. To this company it's \$400,000. A total of \$2.4 million. At this time, the city of Brantford has requested the province to fulfil its legislative commit-

ments and pay 15 per cent, or approximately \$1.5 million, as its share of the cost to the expansion to the sewage treatment plant. Of course, the city was told that no funding is available, we have restraints, et cetera. It makes you wonder just what the hell is going on in the province.

Interjections.

Mr. Speaker: Order please. Will the hon. member keep his language more parliamentary?

Mr. Makarchuk: It makes you wonder just what's going on in the province. But you find that Tory friends can make \$14 million and get away with it; yet the taxpayers in Brantford are supposed to pick up the bill for the sewage treatment plant—the \$1.5 million which the province refuses to collect and the province refuses to pay.

Mr. Grossman: Garbage.

Mr. Makarchuk: I should also like to point out to the Treasurer sitting over there that we have a \$15 million capital debt. With the sewage treatment plant, that capital debt will be increased by \$9 million or \$23 million in total in a one-year increase; that's more than 50 per cent.

I question the minister as to just exactly what's going on, whether she has one law for the rich and one law for everybody else. That's the only way I can describe it.

If the Minister of Revenue cannot provide answers regarding the taxes on this matter, then I feel that this should be brought to the attention of the public accounts committee for investigation. There is no way this Parliament or this province can or should tolerate a government that is horribly biased and irresponsible in the way the laws of the province are applied.

Interjections.

Mr. Speaker: The hon. minister, if she wishes, has five minutes.

An hon. member: She doesn't know anything.

Hon. Mrs. Scrivener: On April 4, the member for Brantford tabled a question concerning the supposed exemption of Lynden Hill Farms from land speculation tax; on the sale of certain lands in Brantford. And on April 18, I answered that question fully, by informing the member that while a lien clearance was given, Lynden Hill Farms Limited remained liable for land speculation

tax. Frankly, I regret his allegations. However, his remarks this afternoon and again this evening—and his innuendo—indicate that he remains confused—that's the kindest word. I welcome the opportunity to clarify this matter once and for all.

Mr. Swart: About time.

Hon. Mrs. Scrivener: The member's misunderstanding of this matter centres on two points: first, that the granting of a lien clearance on the sale constitutes an exemption to Lynden Hill Farms from land speculation tax; and, second, that no tax has yet been paid. As I clearly stated in my answer given on April 18, the lien clearance is not an exemption from tax and Lynden Hill Farms remains liable for any tax payable.

Mr. Nixon: Why don't they pay it from profits?

Hon. Mr. Rhodes: Obstruction.

Interjections.

Mr. Speaker: Order, please.

Hon. Mrs. Scrivener: For the benefit of the members I shall now elaborate on my answers by explaining the details of how the land speculation tax applies to this case.

In 1975, Lynden Hill Farms sold the property in question for \$4 million, as the member has described. The application of the Act requires the determination of the fair market value of the land as of April 9, 1974, in order to determine whether there is a taxable gain. It is Lynden Hill Farms' position that there was no taxable gain during this 11-month period, that is, from April, 1974 to March, 1975.

Mr. Makarchuk: That's nonsense.

Mr. Nixon: Boy, if you buy that!

Hon. Mrs. Scrivener: My ministry, however, has questioned the valuation declared by the corporation. Real estate valuation is an extremely complicated matter involving conflicting professional opinions. Also, it is necessary to determine an accurate and defensible value for the ministry in negotiations and possibly in court actions.

Mr. Nixon: You accepted one opinion on Ronto.

Hon. Mrs. Scrivener: Inevitably, this is a time-consuming process and it is quite common for tax assessments involving real estate to take several years. For these reasons, the

question of whether Lynden Hill's sale is taxable remains open.

Meanwhile, the government's position is protected in two ways. First, I would point out that giving a lien clearance for speculation tax purposes is a routine matter. It allows the transaction to go forward and gives the purchaser a clear title to the property. However, I would stress that it does not absolve the vendor from any tax liability that may eventually be established. Taxes assessed against the vendor are a debt due to the Crown and will be collected.

Mr. Nixon: But you don't have a lien on it.

Hon. Mrs. Scrivener: Since Lynden Hill Farms Limited is a corporation, its assets are subject to a statutory lien under The Corporations Tax Act.

Mr. Shore: There it is. Listen.

Hon. Mrs. Scrivener: Therefore, any disposal of property by the corporation requires a lien clearance from my ministry under that Act.

Mr. Shore: Right on.

Hon. Mrs. Scrivener: Second, the Crown's financial interest is protected, because when the issue is finally resolved and taxes found to be payable, it will be assessed and will bear interest at nine per cent from the time it should have been paid, that is, 90 days after the sale closed in 1975.

Mr. Nixon: Unless you give Webster an order in council as you did Ronto.

Mr. Speaker: Order.

Hon. Mrs. Scrivener: Thus, Mr. Speaker, as you can see, the Crown is properly secured. In closing, I wish to assure all members that my ministry—

Mr. Sargent: Go and tell it to Eddie Goodman.

Mr. Speaker: Order, please.

Hon. Mrs. Scrivener: —is continuing to re-view this matter to protect the Crown's interest.

Mr. Sargent: He is looking after us there.

Hon. Mrs. Scrivener: In particular, we were in contact with the solicitors for Lynden Hill Farms as recently as April 12 last.

Mr. Nixon: Who was that?

Hon. Mrs. Scrivener: Since our negotiations are still in progress, it is not in the

best interests of the Crown to refer this matter to the public accounts committee as was suggested earlier this day.

Mr. Sargent: How are you going to stop it?

Hon. Mrs. Scrivener: This would delay and could prejudice our negotiations as well as unfairly implying that Lynden Hill Farms is improperly evading the payment of tax.

Mr. Speaker: Now the hon. member for Carleton East.

Mr. Warner: You should resign.

Mr. Shore: You probably don't understand it.

Mr. Speaker: Order, please.

The hon. member for Carleton East now has five minutes to explain her objection.

WOMEN IN LABOUR FORCE

Ms. Gigantes: A week ago tonight the Treasurer of Ontario presented the budget of the government for 1977. Among the other questionable elements of that budget was a new description of the Ontario labour force. In budget paper A, section 1, the labour force is divided into two main groups: the primary labour force and the secondary labour force. The primary labour force is defined as including males 25 to 54 years of age. The secondary labour force is defined as everyone else.

Last Thursday I asked the Treasurer if he could provide a rationale for counting all women as part of the secondary labour force. The Treasurer responded as follows: "I can't recall off the top of my head. I'll get the answer for the member."

That was five days ago, Mr. Speaker. In question period today, I asked the Treasurer if he had managed yet to come up with the rationale for counting all women as part of the secondary labour force in Ontario. He replied, "I undertook to get an answer to that question. I haven't and I will."

I find that an unsatisfactory response. If the Treasurer of Ontario can't explain one of the chief analytic definitions of his budget, given five clear days to reflect on the subject, then something is wrong. And I think I know what is wrong.

Let me suggest that the definitions "primary labour force" and "secondary labour force" are not helpful analytic definitions. Anything but. Instead, they serve only to muddle the mind and obscure the truth. The

truth is that the so-called primary labour force has a higher level of employment than other groups. And the so-called secondary labour force is experiencing a low level of employment. The implication of this definition and the way it is used in the budget is that if you belong to a group that has low employment, you are counted as part of the secondary labour force. It is somehow of secondary importance economically and socially if you are out of work.

This is not an acceptable analysis. It is not okay for males aged 15 to 24 to suffer high unemployment. It is not okay for males aged 55 and over to suffer high unemployment. And it is not okay for all women over 15 years of age to suffer high unemployment. The people in these groups are not second rate, either as citizens or as members of the labour force.

The really miserable thing about the Treasurer's definition, the thing that is most discouraging to me as a member of the group called "women over 15 years of age" is that by definition we will always be counted as members of the secondary labour force. We can't have the hope of growing up to join the primary labour force and we will never have the satisfaction of having been in the primary labour force. We can't make it, by definition. It is somehow assumed that we all have daddies or husbands or children to provide us with primary income.

This is true of some women at some times in their lives, but it is not true of most women all their lives. Most women at some time in their lives need jobs. They need jobs because they are single and self-supporting, or they need jobs because they are married and their families need two incomes, or they need jobs because they are single heads of families and are desperate for family income.

If we are to be considered part of the secondary labour force all our lives, then I would suggest that males aged 25 to 54 years who have private sources of income should be disqualified from the primary labour force. The definition of secondary labour force should be extended to its logical conclusion. Males aged 25 to 54 with a private source of income should join the category of the secondary labour force. I'd like to nominate the first person eligible for redefinition, Mr.

Speaker. The Treasurer of Ontario. If he'd move on over there'd be one more job available for the rest of us secondary labour force types.

Mr. Speaker: The hon. Treasurer has five minutes, if he wishes to respond.

[10:45]

Hon. Mr. McKeough: In the discipline of labour economics, as in so many areas of this field, the terminology is traditional. The term "prime-age labour" was developed to describe men 25 to 50 years of age who are the principal breadwinners and sources of support to their families. Obviously, the opportunities for women to work have expanded rapidly in the last 20 years and more and more of the women in the work force are the sole source of support of themselves and their families. However, I think it is fair to say that the terminology of economics has not kept pace with this development. I have no doubt—

Interjections.

Mr. Speaker: Order, please. Order.

Hon. Mr. McKeough: I have no doubt that the terminology of primary and secondary labour force will gradually drop from usage and—

Interjections.

Mr. Speaker: Order, please. Full attention was given to the member for Carleton East. We expect the same courtesy—

Hon. Mr. McKeough: —and we will come to describe labour force groups more explicitly by age and sex.

Mr. Lewis: You put out the paper which discriminates on that basis—

Mr. Speaker: Order, please. I declare the motion to adjourn—

Mr. Lewis: You are a hoax. You are a secondary hoax.

Mr. Speaker: Will the hon. Leader of the Opposition please restrain himself.

I deem the motion to adjourn to have been carried.

The House adjourned at 10:47 p.m.

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Legislature of Ontario Debates

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Daily Edition



Fourth Session, 30th Parliament

Thursday, April 28, 1977

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, Q.C.

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 28, 1977

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

PHYSICAL FITNESS

Hon. Mr. Welch: Yesterday, in the regional municipality of Waterloo, I announced the establishment of a physical fitness policy for the province and the implementation of 11 new component programmes of that policy.

Because every member of the House has been sent an information package on the fitness policy that gives details of each programme, I would simply like to summarize, for the benefit of the House, the objectives of our initiatives.

As the various programmes commence operation I hope that you will encourage your constituents to take advantage of any financial assistance, counselling or practical information that will be available.

In the first place, Mr. Speaker, we are seeking to motivate the people of Ontario toward increased physical activity. Second, we are attempting to broaden the range of opportunities for people to become involved in activities which contribute toward improved fitness. Third, we are hoping to upgrade the competence of community fitness leaders and enhance an understanding of the concept and the benefits of fitness.

Mr. Reid: Is Lorne the before picture?

Hon. Mr. Welch: And fourth, we are seeking to improve the co-ordination of fitness programmes at the community level among various levels of government and volunteer agencies.

Fundamentally, we are offering assistance in such a way that groups at the community level will be encouraged, as much as possible, to initiate and develop their own programmes.

In order to meet these objectives, we have earmarked approximately \$1.5 million in the current fiscal year, to be supplemented by Wintario funds for activities consistent with Wintario principles.

I am sure every member of this House will want to support the goals of the fitness policy and the objectives of the programme elements. I would encourage everyone to make his or her constituents aware of the need for increased physical fitness and its benefits.

Mr. B. Newman: Seventeen years it has taken you.

TOWNSHIP OF MALDEN INQUIRY

Hon. Mr. McKeough: Mr. Speaker, on Tuesday of this week, I had delivered to me Judge Macdonald's report of his inquiry in respect to the affairs of the township of Malden. I am today tabling the report. Judge Macdonald's recommendations are as follows:

(a) That the council of the township of Malden dismiss Stanley Jack Langlois from all his municipal appointments on the ground of misconduct.

(b) That the council of the township of Malden forthwith write off against the general-account reserve fund the undebentured capital cost of the Amherstburg, Anderdon and Malden sewage treatment system in a sum recommended by the township auditor, and that the current sewage surcharges on water bills be adjusted downward to an amount sufficient, and sufficient only, to pay the current C1 and operating charges after taking into account any surplus in the operating account from the year 1976, all as advised by the township's auditor.

(c) Members of township councils are required to disclose personal interests in matters beyond that of other ratepayers before council, and to refrain from voting thereon (sections 235 and 236 of The Municipal Act). It is of equal or greater importance, it seems to me, that the clerk of the municipality and other municipal officials acting in an advisory capacity to council, should also be required to make a similar disclosure for the record of such interest so that it can be taken into account by council in acting upon advice received from them. An appropriate penalty should be provided for a failure to do so. They are by inference so prohibited

by their oaths of office (form 21) at the time of taking office.

(d) Councils of rural municipalities ordinarily consist of persons familiar with rural and agricultural problems, and the members of the staffs of such municipalities generally tend to be more knowledgeable in rural matters. What has occurred in the township of Malden from 1970 to the present day illustrates the conflict and disruption created by the spilling over of an urban area across the boundaries of a rural municipality. Interests and problems of the urban inhabitants are more identified with those of the adjoining urban municipality than with those of the rural municipality in which they find themselves residents. Obviously, the rural municipal councils and officials lack experience in coping with urban problems. I respectfully recommend that consideration be given by the responsible minister or ministers, by legislative amendment if necessary, to the formulation and enforcement of a policy of requiring annexation by an urban municipality of that part of its suburbs which it proposes to extend into a rural municipality as a condition to approval for registration of a new residential plan of subdivision in the area of contemplated extension.

The first two recommendations are matters for the Malden township council to decide, and at this point in time I am content to leave action on these two recommendations to that council.

With regard to recommendation (c), I have asked my staff to review the disclosure and conflict-of-interest provisions relating to municipal officials and to recommend to the Attorney General (Mr. McMurtry), who is responsible for the municipal conflict-of-interest legislation, what action is necessary to eliminate the weakness in the present legislation.

I am particularly intrigued by recommendation (d). The problem of urban overspill into rural townships, and the subsequent costly and divisive annexation hearings, is rapidly becoming one of the most vexatious issues in municipal affairs in this province. I see considerable merit in Judge Macdonald's recommendation, and I and the Minister of Housing (Mr. Rhodes) will be considering it very carefully.

In view of the judge's findings, I am sending a copy of the report to the Attorney General in order that he may, in association with the Crown attorney, determine if there are grounds for further action under The Criminal Code. I am also sending copies to

the Ministers of Housing and Revenue (Mrs. Scrivener) for their consideration.

Copies are also going to the auditor and the solicitor of the township so that they may consider what recommendations they ought to make to ensure the administrative and procedural practices of the municipality are satisfactory. Judge Macdonald questioned his right to award costs, and I am having my legal advisers research the legislation to determine if, in fact, there is any authority for the judge to make an order as to costs.

MINISTRY OF LABOUR AMENDMENT BILL

Hon. B. Stephenson Mr. Speaker, later this afternoon I shall be introducing The Ministry of Labour Amendment Act, 1977, to serve three purposes.

First, Mr. Speaker, it will abolish the Industry and Labour Board by repealing section 8 of The Ministry of Labour Act, an agency which has in fact been inoperative since the outset of 1969. This agency played an important part in administering both The Minimum Wage Act and The Hours of Work and Vacations with Pay Act, but the enactment of The Employment Standards Act in 1968 repealed those statutes and vested the functions that hitherto had been carried out by the Industry and Labour Board in the Lieutenant Governor in Council and the director of employment standards. Accordingly, section 2 of this bill formally abolishes the Industry and Labour Board, the reference to which has become somewhat anachronistic.

Secondly, section 2 introduces a new section 8 into The Ministry of Labour Act. This provision will allow the Minister of Labour to appoint committees or individuals to act as mediators, fact-finders, consultants, or advisers in respect of any industrial relations matter or other problems which come under the jurisdiction of the ministry. There is a complementary power to remunerate and defray the expenses of any persons appointed pursuant to this section.

This power, Mr. Speaker, will fill a gap which presently exists in the legislation administered by the Ministry of Labour. At present, only The Labour Relations Act gives the minister any authority to appoint an impartial individual to assist the parties to a collective bargaining dispute, and that authority is basically restricted to the appointment of a conciliation officer. A mediator who becomes involved at the terminal stage

of negotiations, can only be appointed on the joint agreement of the parties; thus the ministry cannot now act on its own initiative in providing this type of service, nor can it direct mediation or fact finding at times other than during the negotiation of a collective agreement.

Given the importance of industrial relations conflicts and our shared commitment to avoid them, this oversight demands a remedy. However, problems which may be amenable to resolution through mediation or fact finding are not confined only to the purview of The Labour Relations Act. They do arise in respect of other statutes which the ministry administers.

Finally in this regard, I want to note that this new provision will allow the ministry to use and to pay non-civil servants as mediators and fact-finders. There have been, and will continue to be, disputes or problems in which an experienced neutral or neutrals, from outside government, can play a valuable role in achieving a resolution of the matter. Thus, our capability to assist the industrial relations community in Ontario will be strengthened by this amendment. For this reason, the amendment is being made to the broadest statute relevant to this purpose.

Thirdly and finally, Mr. Speaker, this bill creates a new Advisory Council on Occupational Health and Occupational Safety. This is a continuation of the process that began with the enactment of The Employees' Health and Safety Act, Bill 139 in December of 1976. As you will recall, Mr. Speaker, Bill 139 gave the Ministry of Labour primary responsibility for regulating occupational health and safety in the province, in that prior to its passage jurisdiction had been divided amongst four ministries. Two of those ministries, Mr. Speaker, Labour and Health, had been assisted by separate advisory councils composed of persons from outside government.

The Ministry of Labour has been ably served by the Labour Safety Council since 1961, and its mandate has been to advise the minister on matters relating to occupational safety. Since 1975, the Ministry of Health has had the benefit of receiving assistance in respect of matters on occupational and environmental health from the Advisory Council of Occupational and Environmental Health. However, now that the responsibility for both occupational safety and occupational health reside within the Ministry of Labour, it would appear advisable to merge these two councils and to give them a mandate to

advise the Ministry of Labour regarding both occupational health and safety.

There are several reasons for taking this action now, Mr. Speaker, for not waiting for the introduction of the omnibus health and safety statute. There is substantial support for the idea of merging the two councils. In conducting consultation meetings throughout the province with respect to the proposed omnibus Act, the message has been loud and clear that the two councils should be merged. The members of the two councils have also been consulted and have given strong support to the idea of merger. Further, the two councils have provided important advice, and it is desirable that they continue to perform this function in the most effective form as soon as possible. Therefore, our immediate concern is to launch the new merged council, for which there is broad support, so that the Ministry of Labour can have the benefit of its expert advice as soon as it is realistically possible.

[2:15]

JUNIOR RANGERS

Hon. F. S. Miller: As was announced in the Speech from the Throne and subsequently in the budget just brought down, more job opportunities are being provided by the government for young people this summer.

I am happy to inform the hon. members that, as part of this programme, the Ministry of Natural Resources is expanding its junior ranger programme to accommodate 300 more high school students in our annual junior ranger programme this year.

Prior to the government's announcement of increased opportunities for summer employment, my ministry had selected 1,038 boys and 588 girls to participate this year in this unique outdoor experience at 62 camps throughout Ontario.

The 300 additional students will be selected from among approximately 3,000 applications which have already been received by the ministry. No additional applications, of course, will be needed.

Under the junior ranger programme, these 17-year-olds from across the province will work in a natural resources environment and will be provided with opportunities to learn firsthand about our management programmes from such professionals as foresters, biologists and geologists.

The students will report to their assigned areas on July 5 and will remain there until

August 27. During that period they will each be paid \$10 a day, which will total a clear, \$480 for the eight weeks they are at work. Accommodation, meals and supervision are also provided.

The hon. members may also be interested to know that 30,969 students have participated in the junior ranger programme since its inception 33 years ago. Because of increasing interest by young women, the programme was expanded in 1973 to include girls and since that time 1,200 have benefited from that experience.

This programme has been successful and it has been a beneficial one to Ontario's young people. Hundreds of those who have been junior rangers have gone on into resource-related careers, many of them with my ministry. I am pleased that additional funds have been provided with which to expand the programme by another 300 opportunities this year.

ORAL QUESTIONS

INDUSTRIAL WASTE DISPOSAL

Mr. Lewis: May I ask the Minister of the Environment if he can clear up a matter? What is the policy of the province of Ontario in accepting, at any time, on any terms, highly toxic industrial wastes from other jurisdictions for disposal in this province, apparently at the one particular plant in Mississauga?

Hon. Mr. Kerr: The hon. member is referring to an article in this morning's paper. At the St. Lawrence Cement plant in Mississauga we have started an experimental programme there of burning certain types of waste—crankcase oil and certain types of organics, which would include PCBs—and involving Environment Canada, our Ministry and the company. This is being done strictly, as I say, on an experimental basis with the proper monitoring of air emissions as well as the results of the actual treatment.

There is no policy as far as importing these contaminants are concerned. The facility is there, the company does have a certificate of approval but that certificate of approval is conditional upon the company asking the Ministry of the Environment for any specific approval to accept any particular shipment. So that as far as taking a quantity of oil from the United States, the company would have to clear that with my ministry; we would have to have the details of that before it would be permitted.

Mr. Lewis: Supplementary: Apparently the head of the petroleum and chemical unit of the Ministry of the Environment in Iowa—my office was speaking to him this morning—says that Chem-Trol Pollution Services in Lewiston, New York, told them that they had sent toxic industrial wastes with high PCB content to Ontario for disposal on other occasions.

Is that in fact true? It seems odd it would happen without the Legislature or the province being informed.

And why would the minister want the import, why would he permit it, since there is so much difficulty with toxic waste disposal right here from our own province?

Hon. Mr. Kerr: Mr. Speaker, it is quite possible that during this experimental stage, that took place really last year, a small quantity of PCBs may have been shipped to the St. Lawrence plant. Quantities of materials containing PCBs are being shipped continually to Chem-Trol, to their facility in New York, for landfill disposal from Ontario. That's going on regularly, under supervision between the two governments. In order to utilize a new method of destruction, involving St. Lawrence Cement, there are times, in order to get the quantity, the necessary quantity of the particular type of material, it is quite possible that in some instances, during this experimental stage, material came from New York to that particular plant.

But hopefully this experiment will be a success. Certainly the disposal of PCBs in this way, this type of incineration and destruction, is much better than disposal in landfill.

Mr. Kerrio: Mr. Minister, are there great quantities of polychlorinated biphenyls going the other way, into the United States for high temperature incineration at this time?

Hon. Mr. Kerr: What does the member mean by the other way, from Ontario to New York?

Mr. Kerrio: Travelling into the United States for incineration in New York.

Hon. Mr. Kerr: Yes, they are. As a matter of fact, more is going from Ontario into the United States than is coming back for destruction here. As I say, this is only an experiment. The last experiment took place some time last year. I suppose that because we are involved with St. Lawrence Cement and Environment Canada, Iowa felt that maybe they could get rid of their shipment in Ontario. But there's been no acceptance

or approval as far as that shipment is concerned.

Mr. Kennedy: Mr. Speaker, I would like to ask the minister if this in fact does refer to St. Lawrence Cement or to Tricil. I wasn't here when the initial question was asked.

Hon. Mr. Kerr: St. Lawrence Cement.

Mr. Lewis: Has the minister thought of solving the problem in Lambton county by an effort to deal with some of the toxic industrial wastes there in this fashion, rather than causing so much local concern by the dumping in the wells? I gather there is now some eight—I am not just sure what the quantity is, eight million of something already in the wells.

Hon. Mr. Kerr: Mr. Speaker, the plant in Mississauga that the hon. member from Mississauga referred to, Tricil, is capable of handling some of the waste that is now going to Lambton, and we are redirecting some of that because of the closure of a Detroit formation well in that area; and because of course we haven't issued certificates in Lambton recently. But there's no reason why St. Lawrence Cement could also not be used as a facility for destruction of that type of waste material.

Mr. Speaker: I think it would be fair to allow one more supplementary. The member for Sarnia, since it's your area that is involved.

Mr. Bullbrook: Isn't it a fact, relative—

Mr. Speaker: This is a final final.

Mr. Bullbrook: A final final. Isn't it a fact that the new Petrosar complex going on stream will initiate a tremendous new burden upon those wells in Lambton county? What arrangement is the minister making with respect to the Petrosar complex?

Hon. Mr. Kerr: We are suggesting to Petrosar that they accept the responsibility of looking after the disposal of that material.

Mr. Lewis: Incineration, a special process?

Hon. Mr. Kerr: They will have to do it under the approval of my ministry; but there's no reason why that company, with all its wherewithal, can't look after that problem.

SOUTH CAYUGA LAND ASSEMBLY

Mr. Lewis: A question to the Premier, if I may: Has the Premier replied to the letter

from the Ombudsman, sent on March 27 last, dealing with the South Cayuga land assembly, with whatever recommendations he made? I think the Premier replied at the time that he would be gathering information and giving him an answer. Has he given him that answer yet?

Hon. Mr. Davis: Mr. Speaker, so there's no misunderstanding, when the Ombudsman drops me a line I try to reply as expeditiously as possible.

Mr. Reid: Yes, otherwise you read about it in the Globe and Mail before you get the letter.

Hon. Mr. Davis: I think I told the Ombudsman that I would have this matter looked into and get a report. I can't tell the hon. member whether, in fact, the office has received the report. I can tell the member that if it has I haven't yet seen it, and as soon as I do, of course, I will be communicating with the Ombudsman.

Mr. Lewis: Perhaps the Premier might let us know when that occurs.

Hon. Mr. Davis: The Leader of the Opposition will be the second to know; the Ombudsman will be the first.

Mr. Lewis: Thank you so much. If not inside, then perhaps outside the chamber you could let us know. Thank you.

BARRIE ANNEXATION PROPOSAL

Mr. S. Smith: I would like to question the Treasurer, if I might, Mr. Speaker. The Treasurer has indicated in his letter to the Ontario Municipal Board that the Simcoe-Georgian area task force report had been accepted as government policy. I wonder if he could clarify for the House which of the two boundaries indicated in that report has been accepted by the government for the city of Barrie's annexation purposes? Has he accepted as government policy the interim urban study area or the much larger urban study area which the city of Barrie has more or less adopted to accommodate the 125,000 people it foresees there?

Hon. Mr. McKeough: Mr. Speaker, I haven't, of course, got that letter in front of me, but we haven't accepted either of those lines. I believe my letter indicates an acceptance of the population of 125,000 and leaves the matter of boundaries with the Ontario Municipal Board. I think, as I recall, we say that explicitly.

Mr. S. Smith: By way of supplementary, since in the letter the Treasurer does indicate that the Simcoe-Georgian area task force report has been adopted as government policy, and makes that statement rather broadly, I wonder if the Treasurer would agree with the recommendation of that task force to plan at this time only to the year 1991, which would indicate planning for about 75,000 people or a little more, as opposed to the government's population projection of 125,000 by the year 2011? The task force does recommend planning for the nearer term, rather than for the longer term.

Hon. Mr. McKeough: That's incorrect, Mr. Speaker. The task force recommended there be a number of growth centres, four in all, of which Barrie was one, and indicated an optimum population at a point in time of about 125,000 people. We accepted that in principle, and have indicated to Barrie, and indeed have indicated to the other three municipalities and to the county, we're prepared to support that kind of accelerated growth and do what we can to assist it.

The determination of what boundaries are necessary to accommodate that kind of growth, which hopefully would have been worked out between the parties, was not worked out between the parties, and therefore is before the Ontario Municipal Board. I should also say I have made it clear that if we are to be supportive of that kind of growth, or any kind of growth, our job is greatly facilitated if we are dealing with one municipality rather than with several municipalities and a county.

I have not indicated which boundary is the boundary that is needed, and I think we explicitly left that to the Ontario Municipal Board.

Mr. S. Smith: Supplementary: If I understood the Treasurer it seems to me he said that he did not understand the task force to suggest a near-term plan as opposed to a long-term plan. May I read the paragraph in question and ask his opinion of it? In the task force report, on page 117, it says: "Although the context of the strategy is long term the management focus must be on nearer term horizons. We recommend establishing a time-frame of 15 years, to 1991." It goes on to say: "Forecasting for a period of more than 15 years leaves open too many uncertainties."

[2:30]

In view of the fact that it is rather important how much of this agricultural land needs to

be annexed and ultimately urbanized, could the Treasurer make clear at some point whether the government accepts the idea of near-term planning as opposed to the idea of annexing for the longer term?

Hon. Mr. McKeough: It should be very clear, even to the hon. member, whether agricultural land is located within an urban boundary or outside an urban boundary, it can go on being agricultural land.

Mr. Kerrio: Not likely.

Hon. Mr. Davis: Hundreds of acres in Brampton.

Mr. Breithaupt: Right downtown.

Hon. Mr. McKeough: I am sure the people of Barrie are as interested as anyone else in preserving agricultural land for as long as that is possible. I have answered the question now three times. We accepted that report in principle. We have not indicated what our preference is—indeed we have none—as to whether the boundaries should be drawn at one concession or another concession. That is something which, as I said, I had hoped would be worked out between the parties involved. It has not been, therefore it is a matter for determination by the Ontario Municipal Board.

GROUP HOME PLACEMENTS

Mr. S. Smith: I have a question of the Minister of Community and Social Services at this time. What specific action is he planning to correct the very difficult and almost absurd situation which is faced by Youth Sphere, a group home in Toronto, which is being forced to provide services for a 16-year-old girl without receiving any funds from Metro social services, either for services rendered over the last two months or for services they are now expected to provide under a court order?

Hon. Mr. Norton: As a result of the decision in the Supreme Court of Ontario last week, I had as recently as this morning a meeting with representatives of the municipalities most directly affected by that decision, the representatives of each of the Children's Aid Societies from the jurisdictions affected, area representatives of the family court system of the province of Ontario, and other interested persons from agencies engaged in delivering these services to children. I am please to say the meeting was one of great co-operation. I think that at

this point I can at least inform the House that the spirit of co-operation from all parties was clearly expressed. Unfortunately, although the meeting lasted through most of the morning, I had to leave before the end of it because of other commitments and other meetings in other parts of the Queen's Park complex. I have not yet had an opportunity to be briefed by my staff on the final half hour of that meeting. All I can say at this point is that I am optimistic that those matters are well in hand. I will advise the House as soon as I have had an opportunity to be brought up to date on the latter part of that meeting.

Mr. S. Smith: By way of supplementary, since this particular case is one where Metro will not pay for a placement made prior to the decision of Judge Holland, doesn't he feel that a great many people who presently are in group homes are in jeopardy of having their care interrupted by exactly the same process, if other municipalities decide to challenge the payment arrangements? Surely the time has come for the province to issue a guarantee that whatever happens there will be a special fund of some kind to make sure that the care of these children and the financial stability of these homes is not jeopardized by this legal problem?

Mr. Speaker: Order please. May I remind the hon. member that this is a question period and not really a debating period.

Mr. S. Smith: It is also a question-and-answer period. Thank you very much. I hope you remind someone to answer the question.

Hon. Mr. Norton: I appreciate the opportunity the hon. member has given me now to answer. Although I must say I am not familiar in detail with the specific case to which the member refers, I can assure him on the basis of my discussions with the parties involved, including Toronto, that I am confident those problems will be ironed out very shortly, within the next few days, and that no child in the province of Ontario need have his welfare jeopardized, nor will there be any serious interruption in terms of the programmes in which they presently find themselves.

Mr. Nixon: You sound like your predecessor.

Mr. McClellan: By way of supplementary, how can the minister say he is not familiar with the details of the Youth Sphere case when it was brought to the attention of the minister's office on Friday of last week; and was raised again by the minister to his staff,

with his office, on Tuesday of last week; and was raised by myself in the social development estimates on—Tuesday of this week rather—Friday of last week, Tuesday of this week, Tuesday of this week, and again yesterday?

An hon. member: It's getting late.

Hon. Mr. Norton: I can say it, Mr. Speaker, because I happen to be very honest with this House and I am not familiar with the details of that case. I shall make an effort to make myself better acquainted with it.

Mr. McClellan: Well, the minister is responsible.

Mr. Speaker: Order.

Mrs. Campbell: Supplementary: The minister in his reply has stated that he believes that none of these placements will be jeopardized; is he aware of the fact that in this particular case, there has already been an effort made, not by Youth Sphere but I understand by probation services, to have this child placed in a woman's hostel? Is that what he believes to be an adequate placement for a child in these circumstances?

Hon. Mr. Norton: Mr. Speaker, I was not aware of that. If the hon. member wishes to provide me with whatever information she has, I can assure you that I will pursue it. I will pursue it with my staff and find out what information they may have received recently that I am not yet aware of.

Mrs. Campbell: I tried.

Mr. Lewis: Is the member aggravated?

Mr. McClellan: May I ask the minister, does he not agree that if his ministry would pay 100 per cent of the costs of maintenance, instead of 50 per cent, and eliminate thereby the incentives for this kind of destructive litigation, then the court would be able to continue to place children—older, more difficult children—under section 21(d) of The Juvenile Delinquents Act; regardless of Judge Holland's decision with respect to section 21(g)? Would he not agree?

Hon. Mr. Norton: Mr. Speaker, as I have already advised this hon. member, I am very reluctant to agree with him when he invites me to agree to simplistic solutions. I suggest to him that the whole matter of the question of the funding problems attendant upon this were a very important part of the discussion this morning, and are something that will be pursued in the next few days.

Interjections.

Hon. Mr. Norton: Mr. Speaker, I would also like to add, to the hon. member for St. George who interjected that she had attempted to reach me this morning, that I was aware of that. At the time I was tied up in a meeting with the parties involved, including the chief judge of the family court. As soon as possible I returned her call and her line was busy.

Mr. Lewis: You've got a great voice, but you are no Jim Taylor.

CAPITAL WORKS PROJECTS

Mr. Swart: My question is to the Treasurer. In view of his budget, which withholds \$108 million from the municipalities, moneys to which they are entitled under the Edmonton commitment of his own government; and in view of the serious unemployment in many municipalities in this province; doesn't he think he should release some of those millions for special funding of local government capital and other work incentive projects, particularly in those municipalities which are hard hit with unemployment?

Hon. Mr. McKeough: Mr. Speaker, the answer to the question is no. We indicated last September, September 10 as I recall—

Interjection.

Hon. Mr. McKeough: —to the municipalities what our best estimate was of the amount of money which would be payable in 1977 under the commitment on a cumulative basis. As it has turned out, slightly less than was anticipated was paid out during 1976, and there is a small variation in the amounts, as they have finally been calculated and estimated at this point by the various ministries for 1977. I would not at this point, and I think I have to make this quite clear, go back and suggest changes to a whole host of regulations and legislation, and in effect say to the municipalities I am going to catch up on the errors which we made last September, any more than I would if the commitment now showed that they were \$108 million ahead. Members asked, and the municipalities have asked, for long-term planning. That's what we have given them. Sometimes that is going to work in their favour, other times it will work not in their favour; but on a cumulative basis the amount under the commitment is being paid.

Mr. Swart: The Treasurer took that action last fall unilaterally, without consulting the

municipalities, and there was no indication to the municipalities at that time that there probably would be this \$108 million involved.—

Mr. Speaker: The question?

Mr. Swart: I am coming to it, Mr. Speaker, immediately.

Mr. Speaker: A little faster.

Mr. Swart: Because of the serious unemployment, and because the Premier (Mr. Davis) now has a letter from the Metropolitan school board which was sent to him and other MPPs—and I'm sure, because of the Treasurer's concern about unemployment, that he has a copy of it—wouldn't he agree that that letter which makes specific proposals for work programmes, is worthy of consideration for approval and, in fact, a far better method of creating employment than the fast write-offs he has given to corporations, when they are willing to fund a large part of it?

Hon. Mr. McKeough: The philosophy of this government is quite clear, Mr. Speaker—

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: It's the private sector which is ultimately going to put people back to work in a meaningful way.

Mr. Wildman: Ultimately?

An hon. member: Which millenium?

Mr. Speaker: Order, please.

Hon. Mr. McKeough: If we want to go on, recognizing that school board expenditures are going to be paid either by Metropolitan Toronto taxpayers or by us, then inevitably we must have either borrowing or higher taxes. That's the NDP's philosophy; it's not ours.

Mr. Warner: You should resign.

Mr. S. Smith: You don't do much borrowing do you, Darcy?

Mr. Speaker: Order, please.

Mr. Sargent: Supplementary: Believing as he does that the free enterprise system should work and the private sector should look after unemployment, in view of the fact that 600 men are going to lose their jobs with Canadian Pittsburgh in Owen Sound and I need \$10 million to prevent them leaving Owen Sound, what is the Treasurer going to do about that?

Mr. Speaker: Order, please. That has nothing to do with this particular question. It is a good question but not related to this one.

Mr. Breithaupt: It is a dandy question.

Mr. Sargent: Does he have an answer for me, Mr. Speaker?

Mr. Speaker: No, the hon. member's question was not a supplementary.

Is this a supplementary?

Mr. Deans: I hope so; I'm going to try anyway. Since the Treasurer seems to indicate that the taxpayers would have to carry at least part of the burden of the programme suggested by the member for Welland-Thorold, who does the Treasurer suspect will carry the burden of cost to provide the incomes for the people who will be maintained unemployed by this government's 5.3 per cent policy?

Mr. Lewis: Hear, hear. Who pays that?

Hon. Mr. McKeough: There is no question that the burden of unemployment insurance, the burden of assistance under a variety of Act, falls on the taxpayers.

Mr. Deans: Why wouldn't you put it to the other side?

Mr. Speaker: Order, please.

Mr. Deans: Don't be so silly about this.

Mr. Speaker: Order, please.

Mr. Deans: You just don't understand.

Hon. Mr. McKeough: What I do understand is that the NDP thinks government spending is a panacea for everything. And it isn't.

Mr. Deans: We think it is better to work than to be on welfare.

Mr. Lewis: You want people to be on welfare.

Hon. Mr. McKeough: Oh, get off it! The NDP purely and simply wants more government spending and more bureaucracy.

Mr. Peterson: How could one possibly have more than we've got now?

Mr. Speaker: Order, please.

Interjections.

Hon. Mr. Davis: You don't want jobs.

Mr. S. Smith: The two proponents of big government against each other.

Mr. Speaker: Order, please. We've had a very good question period up to now; let's continue. I'd like to hear the question—

Interjections.

Mr. Speaker: Order, please. Will across-the-chamber discussions please cease?

Mr. Bullbrook: I didn't think the question period was that good.

Mr. Speaker: I recognize the hon. member for Sarnia.

[Applause.]

Mr. Breithaupt: You don't even know what he is going to ask.

Mr. Bullbrook: That's really all I wanted.

Mr. Speaker: In view of that, we'll let you ask a question.

Mr. Bullbrook: They said this is my last supper.

Mr. Yakabuski: The wisest of them all is leaving the ship.

Mr. Bullbrook: There's only one fellow who can tell me it's my last supper.

An hon. member: Right.

Mr. Bullbrook: And he hasn't told me yet.

ENVIRONMENTAL TAX

Mr. Bullbrook: I want to direct a question to the Attorney General if I may. It has to do with the Treasurer's Bill 53, now loosely known as the can tax Act. I'm wondering whether the Attorney General was asked his opinion of the sections that purport to put a tax on the importation of cans in view of the difference of wording of this legislation and the farm marketing legislation?

Hon. Mr. McMurtry: No.

Mr. Bullbrook: Could I be permitted an aside? That's the finest answer the Attorney General has given or the best opinion rendered to this government since I came here.

Hon. Mr. Davis: From either side of the House.

Interjections.

Mr. Bullbrook: No interjections, unless the Premier is going to tell us the date.

I want to ask a supplementary. Would the Attorney General give us his opinion as to the constitutional ability of the Treasurer to put in effect a tariff under this wording on the importation of cans before we debate this bill or, say, within the next two weeks?

Mr. Nixon: Same answer.

[2:45]

Hon. Mr. McMurtry: Well, yes. I assume the hon. member is requesting that we give the Legislature a constitutional opinion with respect to this particular section, and I will endeavour to do so.

An hon. member: We might not rely on it.

Mr. Sweeney: You mean you didn't check before you introduced the bill?

Mr. S. Smith: We value your constitutional opinions tremendously in this party.

LAP-SEAM BOILERS

Mr. G. E. Smith: I have a question for the Minister of Consumer and Commercial Relations: Is the minister aware of the situation created by the pressure-vessel inspection branch of his ministry that will phase out the operation of many steam traction engines equipped with lap-seam boilers used for show purposes at numerous steam and agricultural shows throughout the province? What can he do to assure their continued operation?

Hon. Mr. Handleman: Yes, I am aware of it. The problem has been brought to my attention by a number of members.

Mr. Breithaupt: Most of them with old boilers.

Hon. Mr. Handleman: I have met with the organization representing the people who run the shows for non-profit purposes and for demonstration only and we have worked out an accommodation which will permit them to continue under the former testing procedures for this season only. We will, of course, be working out a more permanent testing procedure to provide the ultimate in public safety.

Mr. G. E. Smith: Supplementary: Will the minister assure me that his inspection staff will work closely with the various clubs involved to assure that—

An hon. member: What a dumb question.

Mr. G. E. Smith: —the new inspection regulations will not necessarily provide a hardship but will ensure public safety?

Hon. Mr. Handleman: The process of consultation, of working together, has already begun. We hope within the next two days to develop an agreement between our ministry and the clubs as to the procedure which will be used. Our primary concern, of course, is public safety, at the same time recognizing that the very strict requirements of the ministry may place a financial burden on the owners of the boilers, and we're trying to work out a system whereby we can assist them in that respect.

Mr. Moffatt: Supplementary: I'd like to ask the minister if he'll show the same amount of consideration with regard to the stationary engineers who are going to be further unemployed as a result of the inspection of coiled-tube boilers?

Mr. Warner: Right on.

Hon. Mr. Handleman: Mr. Speaker, I don't believe that's a supplementary. We were talking about lap-seam boilers.

Mr. Speaker: Sorry. I didn't hear it.

Mr. Cassidy: It is very relevant. You guys never care about jobs.

Mr. Speaker: Is this a supplementary? The member for Halton-Burlington with a final supplementary.

Mr. Reed: Is the thing proceeding within the next couple of days; will this matter be finally settled within that time so that these men will know exactly where they stand?

Hon. Mr. Handleman: I thought that was my answer. The hon. member says "finally settled." I want to assure him that what we are trying to determine now is an interim solution which will permit the clubs to operate for this season, which ends, I understand, sometime in September. But during that time we want to work out a permanent testing procedure, because we do have to be concerned about public safety. If there's any danger at all, it's going to be far too late after an explosion. We want to try to prevent that.

BECKER'S MILK DISPUTE

Mr. Warner: In view of the Minister of Labour's statement this afternoon, indicating her concern about the well-being of workers

and about bargaining in good faith, will she direct the Becker's Milk Company to the bargaining table, and further direct the company to restore the coverage of OHIP, the dental plan, Blue Cross and life insurance, both to the workers and their families, as soon as possible?

Hon. B. Stephenson: I understand that the union involved in this dispute has, in fact, lodged a charge against the employer before the Labour Relations Board. It's my understanding that the hearings are to be held some time next week. It would be inappropriate for me to do anything at this point until the Labour Relations Board has made its ruling on that dispute.

Mr. Warner: Supplementary: While awaiting the decision from the Labour Relations Board, could the minister direct the company to restore the full benefits to a Mr. William Weddowson, who broke his back prior to the strike, is presently on workmen's compensation, and is enrolled in a manpower retraining programme at a community college? He has had all of his benefits cut off by the company. Would the minister restore those benefits to Mr. Weddowson, please?

Hon. B. Stephenson: With the details of that case, I would most certainly intervene on behalf of that individual employee. He is still receiving his workmen's compensation benefits, I trust?

Mr. Warner: Yes.

AID FOR SENIOR CITIZENS

Mr. Reid: I have a question for the Minister of Community and Social Services. In view of the fact that his predecessor announced a programme for alternative assistance for senior citizens in institutions sometime last fall and nothing has been heard of the programme since, can the minister tell us when these programmes that were requested from the municipalities will go into effect?

Hon. Mr. Norton: My predecessor, in the fall of last year, did announce such a programme and called for proposals from municipalities across the province. The response was very positive and very successful.

Mr. Reid: Overwhelming.

Hon. Mr. Norton: Almost overwhelming, yes. There was also a request, in late November I believe, from a number of municipalities for an extension of the time. They

indicated their intent but at that point had not been able to make their submissions. The last of the proposals were received in early January of this year. They have been under review by the staff of the ministry. I have reviewed them on a preliminary basis with my senior management. The final review is scheduled for this coming Monday morning at a senior management meeting and I would hope that we will be able to announce the decisions of those which have been selected very shortly after that.

Some of them, unfortunately, did not come within the established guidelines that were announced by my predecessor and will, therefore, not qualify for the assistance. However, I might say at this point I am very impressed by some of the imaginative proposals that have been made and I look forward to seeing them implemented.

Mr. Reid: Supplementary: I trust that the programme will be announced by the time of Senior Citizens Week in June. Can the minister give us an indication of how much money has been put into the programme? How much, on a global basis, will be available?

Hon. Mr. Norton: As I trust the member is aware, the intention of the project was to establish pilot projects in various locations across the province. For this fiscal year, my recollection is—and I don't have these figures in front of me; I hope you won't hold me to them if I come back to correct them at some later date—it is something in excess of \$600,000 that will be devoted to these programmes this year.

RICHMOND HILL NURSING HOMES

Hon. Mr. Timbrell: Mr. Speaker, I have answers to three or four questions asked in the last few days. To start with, on April 25, the hon. member for York Centre (Mr. Stong) asked me about nursing homes in Richmond Hill. His question related to the Elmwood Manor Nursing Home and to the Country Place Nursing Home in Richmond Hill. The member, I hope, is aware that all nursing homes in the province are, in fact, privately owned. My ministry does not involve itself in the funding of capital costs for nursing homes, as was suggested by the member. The only involvement in payments to nursing homes relates to coverage for residents eligible for extended health care benefits under The Health Insurance Act.

MEDICAL SERVICES IN NORTHERN ONTARIO

Hon. Mr. Timbrell: Mr. Speaker, I was asked by the hon. member for Rainy River on April 21 to investigate the position applicable to circumstances in which senior citizens of Ontario entitled to receive free prescription drugs from an Ontario pharmacist under our drug benefit legislation had a prescription filled by a pharmacist outside the province. I must now inform the House that legislation states this ministry will pay for, on behalf of an eligible Ontario resident, drugs purchased from a dispensary which, by definition, is, and I am quoting, "A person or facility in Ontario approved by the minister to dispense drugs."

At this time there is no legislation to allow the drug benefit plan to reimburse patients for drugs purchased outside of the province. The drug benefit programme pays for only those drugs that are listed in the formulary. If we routinely reimbursed eligible persons for drugs purchased outside of Ontario, we would be paying for non-benefit drugs. A person who has to get medical treatment outside of Ontario will be well advised to have his prescription filled by an eligible pharmacy in Ontario if this is at all possible.

Mr. Speaker: Order, please. May I ask the hon. minister how many more answers he has there?

Hon. Mr. Timbrell: Two.

Mr. Speaker: I think we will stop at those two now and have any supplementaries that flow from them, then we will get back to you next time around. The hon. member for Rainy River I believe, has a supplementary to his original question.

Mr. Reid: Would the minister consider that some of the people, particularly in north-western Ontario, are sent by their doctors to hospitals in Manitoba or Minnesota, where they require those drugs and do not have time to send to an Ontario pharmacist for them before being institutionalized in that province or that state? Relatively speaking, it would involve very few prescriptions under the Parcost prescribed drugs. Could the minister not make an amendment to allow that?

Hon. Mr. Timbrell: I could consider that, Mr. Speaker. I think the member realizes, of course, that in cases where people are sent outside of the province, we would cover their hospitalization and medical costs according to our "B" schedule if that service

was not available in Ontario. Certainly, if the use of drugs, or the prescription of drugs is combined with having to leave the province for a service not available here—let's say some of the services of the Mayo Clinic—yes, perhaps I'll take that under consideration.

Mr. Speaker: The hon. member for York Centre has a supplementary to his original question, I believe.

RICHMOND HILL NURSING HOMES

Mr. Stong: The question I asked the other day did not relate to capital funding, as you have correctly indicated. However, because I indicated that the facilities were available as well as a waiting list, the question became the extendicare funding—so that the beds that are available, the facilities that are available, would be opened up. Is the ministry prepared to assist both nursing homes to allow the people who are waiting to get in a chance to take over the facilities that are already available and the beds that are already available?

Hon. Mr. Timbrell: Mr. Speaker, first of all, may I remind the member that in his question on the 25th he said: "I have a question of the Minister of Health. Would the minister consider giving assistance, in terms of licence and funding—" and so on.

There's a rather interesting history to these two homes. First of all, in the case of Elmwood Manor, the building was built in 1972. There were two partners at the time who proceeded to build even though the ministry had informed them that the building would not be licensed as a nursing home. Financial problems apparently occurred between the partners and the ownership of the property was assumed by one of the partners. The building was completed. The owner applied for a nursing home licence which was refused, as he had been told it would be before he had even put a shovel in the ground.

There were many subsequent meetings and discussions with senior officials of the Ministry of Health. Two years ago, in 1975, the home was licensed for 16 nursing home beds and for 16 special care beds. The owner has since applied for additional beds and has been refused. I might add that this matter was reviewed by the Ombudsman in October 1976 and the decision of the ministry was upheld.

In the case of Country Place Nursing Home where they have 100 beds, I hope that the member is aware that there is a second building owned by the owner of this home. This building was erected in 1974 to be replacement for the existing nursing home, which is a much older building. The owner then changed his plans and advised the minister that he would not be moving the residents out of the older building. Now he is asking the minister to licence both homes. As the member knows, there has been a freeze on new nursing home beds since October 1975.

While I'm reviewing that matter, I think, given the rather interesting background of these two cases and given the rather large number of nursing home beds in the region of York as compared to any other region of the province, I could not consider that at this time.

Mr. Speaker: Does the member for High Park-Swansea have a further supplementary to this? One final supplementary under this question.

MEDICAL SERVICES IN NORTHERN ONTARIO

Mr. Ziemba: Yes, it's a supplementary to the previous question, Mr. Speaker, that the Minister of Health answered with regard to the people in the north who might have difficulty refilling their Ontario drug benefit prescriptions every 30 days. Would the minister, as the present regulation requires, consider extending that 30-day limit, thereby saving this province many millions of dollars in dispensing fees?

Hon. Mr. Timbrell: That's not a supplementary but it's also not surprising. There are cases where, through the office of the director of that branch, permission is extended for that sort of thing if people are leaving the country for three months or six months. Permission is granted to fill more than the 30-day allotment. I think that is looked after now. There is discretion there.

Mr. Speaker: Is there a new question? The hon. member for Cambridge.

KAYSON PLASTICS

Mr. Davidson: Thank you, Mr. Speaker. I have a question of the Minister of Labour relating to the Kayson Plastics division of Polysar Limited in Cambridge. Can the minister advise me how many employees of that plant have had medical examinations carried

out to see whether there were any effects caused by the use of Mirex in that plant?

Hon. B. Stephenson: It was my original understanding that they had all been examined—all those who had been in contact with it. But I shall check on that and I'll get the accurate information and report back to the House.

Mr. Speaker: Is there a supplementary?

Mr. Davidson: Yes, Mr. Speaker. Given the fact that the occupational health branch first visited that plant on December 15, 1976 and given the fact that as of yesterday afternoon not one employee had had a medical examination, will the minister now, through her ministry, order those examinations carried out under The Industrial Safety Act?

[3:00]

Hon. B. Stephenson: It was my original understanding as well that the relationship between the inspection division of the industrial safety part of the ministry and that plant had been such that the company had been responsible for this. But, as I said, I shall check this and be absolutely positive about it and report back to the House.

CURRICULUM CONNECTIONS

Mr. Singer: A question for the Minister of Education: Does the minister believe it appropriate that his department should share in the funding of a document called Curriculum Connections, which in its spring issue of 1977 contains two letters expressing critical comment about an opinion put forward in this House by the leader of our party—or of any party? Or is it the same kind of thing that the Leader of the Opposition was complaining about wherein the government uses public money and civil servants to embark upon political-type criticisms?

Hon. Mr. Wells: Could I ask the member what the name of the publication is?

Mr. Singer: It is called Curriculum Connections. It is published by the Ontario Association for Curriculum Development in co-operation with the Ministry of Education, the Ontario Educational Communications Authority and the Ontario Institute for Studies in Education.

Interjections.

An hon. member: All government bodies.

Hon. Mr. Wells: Let me say to my friend that I think we probably give a contribution to help the publication of that particular document. We do not control in any way what is published in that document.

Interjections.

Hon. Mr. Wells: If I rose in this House and complained every time a publication like that complained of the policies of the Minister of Education, I would be up here about every day.

Mr. Reid: You would be up daily.

Mr. Singer: By way of supplementary, would the minister not agree that it is time that public money should not be spent in the political field engaged in political criticism or opinion?

Hon. Mr. Handleman: Read the letter. Let's hear what it said.

Hon. Mr. Wells: I think that is an absurd question.

MEDICAL SERVICES IN NORTHERN ONTARIO

Hon. Mr. Timbrell: On April 21 the member for Rainy River asked me a question concerning my ministry's underserved area programme. The purpose of the underserved area programme for physicians is to provide and to attract doctors to isolated communities.

A physician who has been approved by our medical selection committee for support under our programme and who establishes practice in northern Ontario in an area designated as underserved may receive, (a), an incentive grant in the amount of \$20,000 payable over a four-year period in quarterly instalments or, (b) a contract with a guaranteed annual net professional income in the amount of \$33,000. He may receive an advance of \$5,000 payable in equal amounts of \$1,000 over the first five months in which he has established practice. This is for the first year only. Said contracts and incentive grants are renewable annually.

If a physician has been accepted by our medical selection committee to establish practice in northern Ontario, the Ministry of Health will request a work visa to allow this physician to practice in an area of northern Ontario designated as underserved. The ministry will request renewal of the work visa each year if the doctor remains in practice in the designated underserved area.

The purpose of the programme is to provide services in the areas and communities where they are needed.

With the large number of doctors now practising in Ontario, it has become less necessary to recruit physicians from other countries. Those who have been working in the underserved area programme and who require renewal of work visas to continue are assured of this ministry's support for such renewal as long as they continue working in the communities where they are needed.

Where such physicians ask for landed immigrant status, which would permit them to leave the area of need, we have not to date supported the granting of such status by Canada Manpower and Immigration. Federal regulations would require that such persons return to their countries of origin to apply for such status. However this has not occurred, to our knowledge. Supporting landed status would be inconsistent with the objectives of the underserved area programme as well as with our plans to limit numbers of physicians and costs.

The second question that day from the same member concerned dental services in the north and the number of dental vans we plan to put on the road. We have presently four vans and one dental railroad coach in operation in northern Ontario and we plan to add five more vans this year. Does the member want to know where?

Mr. Reid: Yes.

Hon. Mr. Timbrell: We are going to add them in the following areas; At Vermilion Bay in the Kenora district; in the Thunder Bay area at Beardmore and Macdiarmid; and in the Algoma area at White River or Dubreuilville—that is yet to be decided. In the Timiskaming area, it will be either Charlton or Elk Lake and in eastern Ontario at Wilberforce.

DRG GLOBE ENVELOPES LIMITED

Mr. Grande: Mr. Speaker, I hope you will allow me a little preamble.

Mr. Speaker: Very brief. If it's necessary to place the question, it's in order.

Mr. Grande: Definitely necessary, Mr. Speaker.

Mr. Speaker: Then just proceed with it, please.

Mr. Grande: On April 21 the Minister of Labour—and my question will be to the

Minister of Labour—read in the House a letter which she had sent to me earlier regarding the intolerable working conditions at DRG Globe Envelopes. I thought that by giving the minister the opportunity to make public the answer to my earlier question, she would be careful in giving the correct information. No such luck.

Mr. Speaker: Does the hon. member have a question?

Mr. Grande: Let me ask the question.

Mr. Speaker: Yes, please do.

Mr. Grande: Is the minister aware that the workers in that plant don't know anything about the alleged petition that was supposedly signed by 100 per cent of them? Further, is she aware that the workers are not allowed to leave their night shift 15 minutes earlier, even when they have only 15 minutes for lunch, as she stated in her answer? And is she aware that as of December last year, when the initial suggestion was put in the House on December 6, the director of the employment standards branch had given no permission for a lunch break shorter than the half hour required by law?

In view of these unintentional inaccuracies, I'm sure—

Mr. Sargent: I'll take you out to lunch sometime.

An hon. member: What are you doing for lunch, Bette?

Mr. Speaker: Order, please. Is there a final question?

Hon. B. Stephenson: I have acute indigestion after that one.

Mr. Grande: Will the minister table in this House the alleged petition? And, secondly, will the minister conduct an investigation of the audit by talking to workers this time, and not to management, since management views are clear in the first audit?

Hon. B. Stephenson: Indeed, an audit was carried out. The audit was carried out by the employment standards branch of my ministry. To my knowledge, it was carried out accurately and honestly and reported accurately and honestly.

I am not aware of the allegations, again made by the member for Oakwood. I shall investigate them and I shall most certainly report to this House. But I reported to this House the factual information which I had.

GROUP HOME PLACEMENTS

Mrs. Campbell: My question is to the Minister of Community and Social Services:

Mr. Samis: Wake up, Keith.

Mrs. Campbell: In view of the minister's indication that members of the family court were present at a meeting today, has he taken any steps to discuss the matter of the Holland decision with the Attorney General, in view of the fact that it would appear that orders of the family courts will be honoured in their abuse at this time?

Hon. Mr. Norton: I am not sure what the hon. members means by "honoured in their abuse." Is she referring to existing orders?

Mrs. Campbell: I am referring to any orders, such as the one we referred to today.

Hon. Mr. Norton: I have discussed the matter, both with representatives of the Attorney General and with the Attorney General himself. My information at this time is that where payments have begun, existing orders are fine; there is no disagreement over the effect of those. With respect to all of those orders, I am pleased to say that the municipalities have indicated that they will maintain those payments, in order to avoid any disturbance of those placements and those programmes the children are involved in.

I am also pleased with the degree of co-operation indicated with regard to future orders that might be made. I will not have a final response on that until I have had a chance to carry out certain undertakings I have given to those people at the meeting this morning, undertakings which involve further discussion on my part with my colleague. I have to communicate with them again.

I am optimistic that the whole area of concern which the member and I share at this point with regard to the welfare of these children will be resolved within a matter of a few days.

Mrs. Campbell: Supplementary: Has the minister discussed with the Attorney General the order itself, the Holland judgement?

Hon. Mr. Norton: If the member means personally with the Attorney General, I have only very briefly, but with some of the members of his staff, yes. I can advise her that at this point it is the intention that that decision will be appealed.

Mrs. Campbell: If this decision is to be appealed, what is the effect on those orders

pending that appeal decision? Will the minister make some effort to effect a stay until that is accomplished?

An hon. member: You're whispering again.

Some hon. members: Turn the mike on!

Mrs. Campbell: Say yes.

Hon. Mr. Norton: I'm glad that they finally awakened up up there. I can assure the member also that that was one of the purposes of the meeting this morning, to ensure that there would be no disruption during any period that might ensue with respect to the appeal.

Mr. Speaker: The hon. member for London North.

Mr. Shore: Thank you, Mr. Speaker.

Mr. Cassidy: Which side are you on today?

An hon. member: Are you coming back now?

Mr. Reid: Which party are you running for this time?

Mr. Conway: In this corner, Jack Horner.

Mr. Speaker: Order. Could we hear the question?

Mr. Shore: I have a question for the Minister of Culture and Recreation and the minister responsible for the Wintario programme.

Mr. S. Smith: Are you going to send the losing letters too now?

Mr. Speaker: We are wasting time. The hon. member will place his question.

WINTARIO FUNDS

Mr. Shore: Since the Wintario programme at present is based on the principle of sharing, which ordinarily means a dollar-for-a-dollar partnership with a sponsoring organization, in view of the bias and often the inequity that this introduces to groups or communities with fewer financial resources—that is to say, since the criteria are the same for all, those with more will be able to receive more—is it not possible or does it not make sense that a proportion of the funds could be set aside to be used as equalization resources to be applied in situations where potential applicants are ineligible because of lack of resources?

Mr. Singer: That's a very good question. Why don't you put it on the order paper?

Mr. Breithaupt: It's already done.

Hon. Mr. Welch: That's a very good question and quite in keeping with the policy of this caucus.

Mr. Speaker: And now for the answer.

Mr. Reid: He is sitting too close to the member for Scarborough Centre (Mr. Drea).

Mr. Speaker: Order, please. Let's hear the answer.

Hon. Mr. Welch: I know that the member would understand that there is a degree of equalization built into the criteria already.

With respect to the north and to the east, we have a different sharing principle for those parts of the province, recognizing the need for that, as it affects Indian bands and the whole question of the introduction of labour and materials in lieu of actual cash. As all government programmes are always being reviewed to make sure they are relevant and in keeping with special considerations, I would be glad to take the member's question under further consideration.

[3:15]

Ms. Bryden: Supplementary: I'd like to ask the minister, when is he going to give the Legislature an opportunity to debate the criteria on which the Wintario grants are being handed out and to give the public some opportunity to have some public hearings on this, so that recommendations can be considered?

An hon. member: Tuesday afternoon.

Mr. Speaker: Order, please. That's not really supplementary to the question, and it's been asked before. Is there a very brief answer?

Hon. Mr. Welch: Yes, Mr. Speaker, there is a very brief answer. The estimates of the Ministry of Culture and Recreation come annually before the House or before a committee. They've been before the House twice, which is ample opportunity, and I'd be very happy to have the advice of the member and any other members with respect to this criteria when my estimates are before the House.

Ms. Bryden: That is not before the public.

Hon. Mr. Davis: Did you represent the public?

Mr. Speaker: Is this a supplementary from the member for Grey-Bruce? If it's not, we want to get on here.

Mr. Sargent: All right, all right.

Mr. Speaker: Is this a supplementary?

INSTANT LOTTERY

Mr. Sargent: Regarding the lottery, is the minister going to bring in the instant lottery before the election?

Mr. Speaker: That's a new question—a good question, but a new one.

Mr. Sargent: Then answer it.

Hon. Mr. Welch: We have no intention of having an instant lottery in Ontario. Absolutely none.

LICENCE FEES

Mr. Bain: I'd like to ask a question of the Minister of Transportation and Communications. The question pertains to the \$10 licence fee for automobiles in northern Ontario. Is the minister aware that for many families in northern Ontario the only family vehicle is a half-ton truck, and is he willing to extend the \$10 licence fee to half-ton trucks if those vehicles are the only family vehicle or if they're used for farm purposes?

An hon. member: Say yes.

Mr. Speaker: Order.

Hon. Mr. Snow: Of course, a half-ton truck, it's my understanding—and I think I'm right—can be registered as a passenger vehicle. If it is registered as a passenger vehicle, I would think it would qualify for the \$10 licence. If it is registered as a commercial vehicle, it would not. And, of course, for the farm community there's a special provision for the registering of any size of truck as a farm truck, which qualifies for a reduced licence as well.

Mr. Speaker: The oral question period has expired.

Order, please. There are two people on their feet. The hon. member for Hamilton West.

POINT OF PRIVILEGE

Mr. S. Smith: I would like to rise somewhat briefly on a point of personal privilege, if I might, Mr. Speaker.

On April 15, the member for Dufferin-Simcoe (Mr. McCague) read into the record a letter, dated May 11, to the Treasurer from the Minister of Agriculture and Food regarding the Barrie annexation matter, suggesting that this was the communication which I had requested on April 1.

In actual fact, the document which I have referred to in the House, and the one which has been withheld from us by instruction of the Minister of Agriculture and Food, was a staff report of the food land development branch of the Ministry of Agriculture and Food, dated August 1975, as he well knows.

Not only have we requested the staff report in the House, Mr. Speaker, we've also written to the minister to request it and hope that this document will be tabled for the use and scrutiny of the House.

Hon. W. Newman: On a point of privilege, Mr. Speaker.

Mr. Speaker: I think it's more aptly called a point of order. Is there an answer to this? All right.

Mr. Bain: Point of order.

Mr. McClellan: Point of order.

Mr. Speaker: One moment, please.

Hon. W. Newman: On a point of privilege. I'd just like to point out that the leader of the third party is wrong in saying that I gave instructions to withhold any document at all. It was understood the letter that I, as the minister, wrote to the Treasurer on the matter was the letter that was to be tabled, and that's what was tabled in the House by his parliamentary assistant.

Mr. Good: Cover-up. Cover-up.

Mr. Kerrio: You should be embarrassed. That wasn't the letter at all, and you know it.

Mr. Speaker: Order, please. We can't hear. The minister has corrected and his word must be taken. Is there a further point of privilege?

Mr. S. Smith: This is a point of privilege, because in fact I have made the statement in this House just a few minutes ago that there is a document, namely a staff report of the food land development branch of the Ministry of Agriculture and Food. That report is what I want, and that report is being withheld from us by instruction of the minister; and I say it again. If he wants to table it, let him do so.

An hon. member: Table it.

Hon. W. Newman: I have made my point very clearly that I did not give any instructions, Mr. Speaker. If the hon. member wants to make allegations like that, then let him prove them outside of this House and be a man to do it. Let him stand up and be a man about it.

Mr. Reid: Will you table it?

Mr. Breithaupt: Will you table it?

Mr. S. Smith: Table it.

Mr. Speaker: Order, please. Any hon. member's word must be accepted—

Mr. S. Smith: Why don't you table it? Will you table it or not?

Mr. Speaker: Order, please. The hon. minister stated he didn't; therefore his word must be accepted. Do you have a further point of order?

Mr. MacDonald: On a point of order: I'm not disputing his word, but will the minister table that document from the food land development branch? Is he in effect saying no, he won't table it?

An hon. member: Yes or no?

Interjections.

Mr. Speaker: Order, please. That is a question which could have been asked more appropriately during the question period. It can be asked again.

Mr. McClellan: Mr. Speaker, I have a point of order—

An hon. member: What are you hiding?

Interjections.

Mr. Speaker: Order, we are all out of order who are talking, except the Speaker.

Mr. S. Smith: You have a copy of it, Darcy, will you table it? Your department has it.

Mr. Speaker: Order.

POINTS OF ORDER

Mr. McClellan: Mr. Speaker, I wish to give notice under standing order 27(g) that I am dissatisfied with the response to my question by the Minister of Community and

Social Services and wish to debate with him at the adjournment today.

Mr. Bain: Mr. Speaker, I too rise on a similar point of order. I wish to give notice that I am dissatisfied with the Minister of Transportation and Communications' answer and I also wish to debate the matter with him this evening.

An hon. member: Obstructionism.

Mr. Deans: I too rise on the same matter to give notice that I am dissatisfied with the answer of the Treasurer to the question I asked and wish to debate it at 10:30 this evening.

Mr. Speaker: Petitions.

Mr. Ruston: Mr. Speaker, I have a petition here with 4,500 names. I checked, and under the rules of the House I am afraid I can't do it. The petition is directed to the government instead of the Legislature, so if I may I will present it to the House leader to convey it to the Premier. It is with regard to the French-language school in Essex county.

Mr. Speaker: Presenting reports. Motions.

INTRODUCTION OF BILLS

CITY OF OTTAWA ACT

Mr. Morrow moved first reading of Bill Pr 28, An Act respecting the City of Ottawa.

Motion agreed to.

MINISTRY OF LABOUR AMENDMENT ACT

Hon. B. Stephenson moved first reading of Bill 62, An Act to amend The Ministry of Labour Act.

Motion agreed to.

CITY OF SAULT STE. MARIE ACT

Mr. Lane moved first reading of Bill Pr 18, An Act respecting The City of Sault Ste. Marie.

Motion agreed to.

REGIONAL MUNICIPALITIES AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 63, The Regional Municipalities Amendment Act, 1977.

Motion agreed to.

Hon. Mr. McKeough: Mr. Speaker, I have a number of amendments to the regional municipalities Acts to present to the House. Primarily they are measures to streamline the temporary borrowing provisions. We also propose that a simple majority vote be sufficient to authorize the removal of an auditor with cause, and that the 10 regional municipalities be permitted to pay rewards to persons who supply information leading to the conviction of offenders.

DISTRICT MUNICIPALITY OF MUSKOKA AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 64, An Act to amend the District Municipality of Muskoka Act.

Motion agreed to.

Hon. Mr. McKeough: The amendments to this bill duplicate those I have just outlined for the regional municipalities Acts.

COUNTY OF OXFORD AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 65, An Act to amend The County of Oxford Act, 1974.

Motion agreed to.

Hon. Mr. McKeough: Again the amendments are the same as for the previous Acts.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 66, An Act to amend The Municipality of Metropolitan Toronto Act.

Motion agreed to.

Hon. Mr. McKeough: All the amendments to The Municipality of Metropolitan Toronto Act are similar to those in the proposed regional municipalities amendment bill. There is, however, an additional amendment concerning vote requirements, that a simple majority vote suffice to authorize travelling expenses of Metro councillors and officials and expenses incurred for entertainment.

MUNICIPAL AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 67, An Act to amend The Municipal Act.

Motion agreed to.

Hon. Mr. McKeough: Amendments to this Act give the municipalities two further kinds of money bylaws which do not require the assent of the electorate; namely, for acquiring land for housing purposes and for providing money for highways and bridges. We also propose that when partial payment is received for tax arrears, payments shall first be applied to interest or percentage charges, the remaining amount then being applied to the oldest taxes due.

At the request of the municipalities we are broadening the per diem of remuneration for members of council to allow for payment for attending meetings other than council meetings.

PUBLIC UTILITIES AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 68, An Act to amend The Public Utilities Act.

Motion agreed to.

Hon. Mr. McKeough: We propose here that before any public utilities be shut off for non-payment, 48 hours' notice be given to the occupant and the owner, if he or she is a different person.

The member for Windsor-Walkerville has a special interest in that piece of legislation, Mr. Speaker.

[3:30]

CITY OF TIMMINS-PORCUPINE AMENDMENT ACT

Hon. Mr. McKeough moved first reading of Bill 69, An Act to amend The City of Timmins-Porcupine Act, 1972.

Motion agreed to.

Hon. Mr. McKeough: This amendment vests in the city of Timmins the right to collect tax arrears in respect of unorganized territory which became part of the city when it was created in 1973.

PENSION BENEFITS AMENDMENT ACT

Mr. Bain moved first reading of Bill 70, An Act to amend The Pension Benefits Act.

Motion agreed to.

Mr. Bain: This bill requires that an employer disclose all current actuarial details

—that is, the investment of a pension fund, how much money is being earned and so on —of a registered pension plan and that this information be disclosed to actual and potential employees of the company in question, that may be now or may be in the future participating in the plan.

GASOLINE AND HEATING OIL UNIFORM PRICING ACT

Mr. Lane moved first reading of Bill 71, An Act to Require a Single Price for Gasoline and Heating Oil sold in Ontario by a Wholesaler.

Motion agreed to.

TOWNSHIP OF DOVER ACT

Mr. Spence moved first reading of Bill Pr3, An Act respecting the Township of Dover.

Motion agreed to.

VILLAGE OF PORT McNICOLL ACT

Mr. G. E. Smith moved first reading of Bill Pr12, An Act respecting the Village of Port McNicoll.

Motion agreed to.

CONDOMINIUM AMENDMENT ACT

Mr. Wildman moved first reading of Bill 72, An Act to amend The Condominium Act.

Motion agreed to.

Mr. Wildman: Mr. Speaker, this bill would give mobile-home owners the opportunity to own and operate their parks by amending The Condominium Act to enable mobile-home parks to be registered as condominium projects. The bill also clarifies the existing law by stating that a designated unit can consist of vacant land. This bill therefore provides for flexibility in the development of mobile-home condominium projects by enabling a developer to choose between designating a mobile home as a unit in itself, or alternatively, designating a vacant lot as a unit upon which a mobile home may be placed.

JOHN A. SCHMALTZ AGENCIES LIMITED ACT

Mr. Breithaupt moved first reading of Bill Pr14, An Act respecting John A. Schmaltz Agencies Limited.

Motion agreed to.

CITY OF TORONTO ACT

Mr. Eaton, on behalf of Mr. Grossman, moved first reading of Bill Pr31, An Act respecting the City of Toronto.

Motion agreed to.

PROFESSIONAL FUND-RAISING CORPORATIONS CONTROL ACT

Mr. B. Newman moved first reading of Bill 73, An Act to control Professional Fund-Raising Corporations.

Motion agreed to.

Mr. B. Newman: Mr. Speaker, to be very brief, the bill will license professional fund-raising companies.

LEGISLATIVE SCHEDULE

Hon. Mr. Welch: Mr. Speaker, before going on with the orders of the day it's usual on Thursdays to indicate the order of business for the following week.

Before doing that, perhaps we should indicate that this afternoon we'll be doing the private members' ballot business that is orders 52 and 43, and in that order. This evening we have the unanimous consent of the House to go to Bill 28 at 8 o'clock, The Residential Premises Rent Review Act, and to carry on with that bill until third reading stage. Following that we will resume what we had planned for this evening, the budget debate, for the remainder of the evening.

I just wanted to indicate that we have unanimous consent to go to Bill 28 this evening at 8 o'clock, following which we will have budget debate, and then budget debate tomorrow morning.

Next week, on Monday—

Mr. Conway: Dispense.

Mr. Sweeney: Unnecessary.

Hon. Mr. Welch: This is very important. This is the public's business.

Mr. Eaton: Is that what you fellows want?

Hon. Mr. Welch: On Monday afternoon the House will be in committee of supply and we will start the estimates of the Solicitor General. There is no House on Monday evening. Tuesday is legislation day.

Mr. Wildman: What about the rest of the week?

Hon. Mr. Welch: We will continue with the Essex school bill, followed by the Northern Affairs Ministry, followed by the successor rights legislation and perhaps if we have time we will do the Hartt amendment.

There is no House Wednesday but of course we are in committee.

Thursday afternoon is private members' ballot business. There would be no House next Thursday evening, Mr. Speaker, because that is the occasion of your dinner. Then on Friday morning we'll do the budget debate.

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

PATIENTS' RIGHTS ACT

Mr. Duksza moved second reading of Bill 33, An Act respecting Certain Rights of Patients receiving Health Care Services in Ontario.

Mr. Duksza: I want to say before I go into details of my bill how pleasant, how instructive and how exciting it has been to participate in introducing a private member's bill in the Legislative Assembly. As everyone knows, this is a new approach to us in this Parliament. It has followed on a great parliamentary tradition in England where it has led to major changes in legislation.

I remember one case specifically of Mr. Leo Abse, who through a succession of three Parliaments after three elections persisted in introducing a bill to defeat the Labouchere amendment to The Sexual Offences Act and finally succeeded in having it passed. I notice in our own Parliament there has been a leit-motif to all the private members' bills which dealt largely with the right of the individuals in Ontario. I refer to the member for Lake-shore's (Mr. Lawlor) bill, to that of the member for St. George (Mrs. Campbell) which is going to be discussed after mine, and especially to the pioneer in the rights bill, the member for Parry Sound's (Mr. Maeck) bill. I found some connection between what I am introducing, what I am now debating and what I hope will be passed between the rights bill of patients and the member for Parry Sound's bill which preceded mine, which also dealt, maybe in a more limited fashion, with some rights of the patients in hospitals.

There is the whole concept of lobbying. It was the first time really I have ever done a private member's bill and I lobbied intensively through all the ranks. I found to my great amazement and delight how delightful, in-

structive, intelligent and warmhearted most members are in giving, I hope, their wholehearted support to my bill.

What I would like to establish here is that my bill be accepted in principle. There are a number of points where it needs to have further consideration and work. I hope when it has passed it will go to the committee on social development for an input from outside and from everyone concerned. I should tell members immediately that there are a couple of things about which I am concerned already and I should mention them.

One of them is a mistake made by me when I said that the age of consent should be 18. It is now a common practice in hospitals that the age of consent is 16. I do not want to change that in essence but I would introduce an amendment during third reading to that effect.

The second one is a little more important. The records pertaining to the patient have to be private, except for a number of exceptions. I missed one exception, which is that the physician is obliged, once he examines a patient and discovers that the patient is incapable of driving or could be dangerous when driving, then he has to report this, according to The Highway Traffic Act. That particular provision I fully approve of and I would introduce an amendment to make sure that this is not abolished.

There is one other point on which I am not clear; that is whether this bill would interfere with open discussion with a number of legal advisers. I am told that it does not interfere with The Public Health Act which requires a physician to report cases of infectious syphilis. So I am not going to introduce that amendment unless I hear to the contrary.

[3:45]

The purpose of the bill, Mr. Speaker, is to declare and protect certain rights of medical patients in Ontario. There are three parts to the bill. One is the right of access to the patient's own record and the right to privacy of the record. The second part is the right to adequate information about the proposed form of treatment before giving a written consent to the treatment. Third is the right to due process of law for the people with mental disorders as enjoyed in our society by other people.

Part I: First, we'll consider the right to have one's medical records kept confidential. An example often given is that in a hospital, as much as we pay attention to make sure that the records are confidential, quite often

the records actually travel through the system and can be used quite easily by others. That access to confidential records in hospitals is quite general.

I would like, in this bill, to provide for making sure that only when the patient gives particular release that access to the records will be given to someone—except for the obvious administrative procedures which is the counting of heads, sex and the age of the patient, and so on.

The second part is more important. It's the right to one's own chart. At the moment, one can get a chart if one has a friendly physician who will get it for him or if he goes through a lawyer or through a court. For most people, in fact, it has not been possible to get their own charts.

Interestingly enough, one of the things that people have told me is that they have been afraid of what would happen if the charts are open to everyone. In other jurisdictions some of the charts have been open now for some time. In France, I'm not sure whether it applies to hospitals but I know a patient who has had lab tests or x-rays done in that country is given two copies, one for himself or herself and one to take to their doctor, without any undue problems or bother.

One of the more interesting objections has been regarding what will happen to people with a terminal illness and people who have something really unpleasant written about them in the chart. In cases of terminal illness, this bill dovetails with the bill of the member for Parry Sound, because it allows the patient both the access to the information and the decision making about his own future. I'm not sure how to answer this except that you don't have to go and ask for your own chart if you don't want to. But if you do want to, you should be able to have the right to obtain your chart.

Let me give you a practical experience. When I worked in the Queen Street Mental Health Centre I was in charge, during the last year of the benevolent ministry of the member for Brock (Mr. Welch), of an admissions unit in which we were then introducing considerable social psychiatry to the therapeutic community. One of the things which occurred, ultimately, was that patients were discussing and making decisions on their own problems—I should mention that this was a general unit which had just as many people who were acutely disturbed as others.

We decided to open the charts to the patients. At first, there were a lot of objections from the staff who said: "What will happen?

We have written such and such, it will complicate our lives." People would say: "It will complicate our lives" meaning the staff's life.

When we did open the charts the effect was that the patient at first did, indeed, get annoyed, because what was written on the chart—which may be more typical of psychiatric charts than of general hospitals—is often tendentious and full of ad hominem remarks—things which are not factual and have nothing to really do with the problem that a patient has. They are interpretations and explorations of the patient's personality in the name of science, but basically just fanciful ideas written by the staff about the patient.

To those points the patient did object, and rightly so, because some of them were really ad hominem arguments. But we did find, when we started working on it, that the staff were not only putting actual information down but had begun to put it in a much more orderly factual fashion. It was no longer a general statement but it said precisely what happened—why the patient was admitted.

For example, if the patient was violent on the street and attacked someone, you wouldn't say that he was a nasty paranoid schizophrenic, you would say that this patient, age such and such, attacked an individual on the street and no one could control him so he had to be brought to the hospital. No one objects, and I am certain they would not object, to a factual statement of this sort. Anyway, this is part of good medical practice. This is part of the problem and you have to deal with it at some stage in the therapeutic process. The patient himself would have to deal with it. I am using this as an example because it's my own experience, but in the same way it applies in general hospitals.

Part II is a more contentious part for many members of the medical profession. This states very specifically that written, informed consent must be obtained before a surgical procedure or before a major medical procedure can take place, for which a consent has been required so far. This section is directly linked to The Public Hospitals Act which requires that before certain procedures can take place, written consent must be obtained.

I do not want, nor does the bill provide for, the extension of the informed consent form to cover ordinary visits to the family doctor to ask about a cold. It only applies to those circumstances in which a written consent has been required before and will be required now.

What the bill proposes and what I feel very strongly about is that quite often not enough information is given to an individual who is facing a major illness, a major surgical procedure. I want to make sure that it is there.

The bill provides for five points. On the written consent form which, as I mentioned to you, is signed by both physician and patient, you have to specify the nature of the patient's medical problem. You must also specify the advisability of treatment of the medical problem; the objective sought by the treatment; the nature of the risks inherent in any treatment; and the alternative forms of treatment.

It has to be done in colloquial language so that people can understand what the physician is saying. Once given this information, I think the patient can reasonably come to an informed decision on the problem—whether he wants to participate in this thing, whether he wants the operation. He enters a significant relationship with the physician on the basis of some equal information, not as before when, in effect, only the physician had the information. It equalizes the relation between patient and physician. For me, that is probably the most important part.

One objection is, will the patient, in possession of this information, not want to take the required or necessary treatment. If that happens, and I don't believe it will, then it's the patient's decision. The physician then has to decide whether that patient is competent to make that type of decision. But, basically, it is the decision of the individual as to whether he will go ahead and have the operation or the treatment. It is not my responsibility as a physician to act like a parent; the patient must decide for himself.

I repeat, it is for the patient to make this decision; it is for the patient to start dealing with the physician on a peer basis, for the patient to be treated in fact as a reasonable human being. It is his body, after all, which is being repaired or helped.

Another point is that when two people sign the documents and the kind of treatment is specified, it is, in effect, a contractual relationship which binds both parties but it also protects both patient and physician. There will be less litigation because of the clarity of what is proposed.

One of the concerns expressed has been what happens to an unconscious patient. An unconscious patient obviously can't sign a consent. I should tell the House that now,

in practice, an unconscious patient does not sign a consent. It is assumed an unconscious patient wants treatment and the treatment proceeds, if no parent or relative objects, so that would not be changed.

As to the other objection, I've been doing so much lobbying that I've collected a number of statements of what people said. They said it will take so much of doctors' time there won't be any time left for actually treating patients. My answer to this is that it is an essential part of good clinical practice that a relationship occurs between a patient and a physician in which an exchange of information is essential, and that part of the possible recovery and treatment is already in that exchange of information and it is time extremely well spent. It's part of good clinical practice. It shouldn't cost any more. If it does involve a little more time, then I say, if it's for the sake of better clinical practice, let's do it.

Another objection was that he would say, well, the patient can always ask—Mr. Speaker, how much have I got?

Mr. Acting Speaker: You have approximately five minutes.

Mr. Duksza: Five minutes? Thank you.

The last point I would make on that section is that of the physicians whom I've talked to—and some of them have been quite sympathetic to the bill—those who are less sympathetic have said that the practice is already going on and the doctors can be trusted to do this. Under no condition would I ever say that most of our physicians are incompetent; far from it. We have a very good group of people who are providing excellent service. If they are already doing some of this practice, there should be no objection from organized medicine to codifying that particular practice and putting it in the law.

I actually refer specifically to the president of the OMA, who has said something like this and implied that this is already good medical practice. If it is, then good, let's codify it, let's make sure, let's extend it. There should be no objection from him about doing it.

Part III provides for due process of law in the case of psychiatric patients. What happens now is that if an individual is diagnosed as being dangerous to himself or to others because of a mental disorder, a physician or a psychiatrist is obligated to fill out a Form 1 of The Mental Health Act to admit him to

a psychiatric facility, and the form is in force today.

Let me tell you how the process works, Mr. Speaker. Let me speak from personal experience. As a psychiatrist I have dealt often with individuals whom I considered dangerous to themselves or to others. Let me tell the House, it's an entirely subjective judgement. There really is no science about this. It's me and my conscience that says that I can't let that man out because he's dangerous to himself or to others. I have done that and I have written the forms and I have always been bothered by the fact that it's only on my say—on the discretionary power of one individual.

One physician or one psychiatrist can put away an individual for 30 days, deprive him or her of their liberties, with only one recourse—two, really, but one is never used, which is The Habeas Corpus Act. The second recourse is an appeal board, which usually takes some time to convene and by that time the patient often is already out of hospital.

I believe this type of approach to a patient does not extend the full privileges of our law that we extend to people who are accused of a crime. The patient with a mental disorder is treated differently, has no recourse to law. If I committed a crime it would be different. I would get a lawyer and all the due process of law comes into effect. I would be fully protected; the mental patient is not.

My bill would provide for protection for that patient. The protection would be two-fold:

1. A certificate filled out by a physician or a psychiatrist will last four days, in sequence. It doesn't mean that after four days the patient will be automatically discharged. It means that after four days the patient will have to be re-assessed as to whether he is still dangerous to himself or to others. The sequence of the Form 1s would last no more than one month, while at the moment it lasts up to two years. At the end of one month a physician from outside would have to be brought in.

2. A copy—that's the most important part, I think, of this section—of the Form 1 would have to be sent to the Attorney General's office so that the Attorney General in turn appoints an advocate on behalf of a patient if the patient is unable to find one himself or herself. The advocate looks into the situation and checks.

[4:00]

Recent studies have shown that up to 70 per cent of all Form 1s filled in when admitting the patients to the hospital actually have been incorrectly filled in. It has been much easier to do it this way; it's just a clinical thing. I remember that in hospital, if you had a patient for 30 days, you took your time. I think the psychiatrist in charge of a patient's treatment and helping the patient to recover should be always on his toes, both as regards civil liberties and the treatment. And part of the Act will introduce what I call the due process of law into it.

In summary, there are three points to this bill. One is the patient's right to his own chart and to privacy. The second point is informed consent. I want a patient—and the Act would provide this—to be a full partner in the therapeutic process on the basis of equality. The third point is the one that will introduce the due process of law for psychiatric patients.

Let me just add a few more sentences: It is only a proposal, a principle which I would like to have accepted, to move the civil rights part of Ontario towards—do I have 15 more seconds?

Mr. Acting Speaker: Your time has expired. Would you conclude briefly?

Mr. Duksza: Let me say this is only the principle; I would like to refer it to the social development committee. I hope it's approved in principle; we can then work on the details. I would ask everyone to support it.

Hon. Mr. Timbrell: In the 10 minutes available to me, Mr. Speaker, I will try to outline a couple of concerns I have about the proposal from my hon. friend. May I say, having come into the House at the same time, at the same election, as the member for Parkdale, that I too am most appreciative of the changes in recent months negotiated by our colleagues, the House leaders, in enhancing the position of the private member in this House. I think it is a significant improvement in the rules of order and in the traditions of this assembly.

I want to put forward a couple of concerns and, if I may, I will deal with the sections of the bill exactly as printed and as spoken to by the member for Parkdale. I am pleased to see that the member has recognized, in section 3(4), that there is a problem in what he proposes in the bill as drafted with regard to the age of consent. It was in February 1974 that the age of consent for surgical procedures was changed

from 18 years to 16 years, the reasons for which are very familiar to the member and to the rest of us who where here at that time. That does cause us a problem.

So far as the first section of the bill is concerned, that section dealing with the right to a confidential record, there are two parts that give me a great deal of concern. They are section 3(2)(d) and section 3(3), which have to do with the availability of the records to the family, in the case of the first part, where he is deceased, and in section 3(3), where he or she is mentally or physically disabled.

The reason they concern me is that they are so open to abuse, I suggest to the hon. member. His proposal really does not provide for a review mechanism to inquire of the nature of the reasons for wanting those records. One can imagine any number of potential horror stories in insurance cases, in providing supervision of income annuities and so forth; and I would be concerned about how those sections might be applied.

Time is short and it doesn't really allow me to talk about everything I would want to, except to say that one other thing concerns me—and, having been a teacher, in looking at this, I try to analogize medical records to school records. I know that not everything in a school record, to start with, is confidential. In fact, everything that could probably be referred to as confidential, in the traditional sense of the doctor-patient relationship, might not even be in the clinical record. So that concerns me, in that it perhaps wouldn't achieve what the hon. member—and all of us, I think—are after.

The third thing is, and the member touched on this, the question of concern about how the physicians would react to it. I was very interested in his remarks about what happened at Queen Street Mental Health Centre when he was there and they started this. I must express a concern that with this kind of a legal mechanism, some practitioners would be too cryptic, would not fill in the records as completely as possible for fear of the repercussions. I just leave that concern with you.

On the question of concern to treatment, I am informed by staff whom I questioned about this that at the present time a written consent is not required in all cases. What concerns me again in this instance is the effect of the word "comprehensible"—although the member didn't use the word "comprehensible" during his remarks—he used the word "colloquial." There again I'm concerned about the subjectivity of those terms. What

do they mean? Does it leave both physician and patient wondering as to what are their legal obligations? What are the expectations that are made on them? Are we encouraging the development of the kind of patient-physician relationship that exists in the United States where so many cases are now ending up in the courts.

I must tell you of an experience, just as an aside to that. When I visited relatives in Los Angeles in September, my cousin showed me a bill from her son's physician. It was for about \$180 for one examination and tests, and I then proceeded to tell her that under OHIP, the great plan brought in by this government, my total annual premiums are \$192 as a single person, but that's another aside.

One of the reasons leading to these high bills which my cousin's son had been incurring was the fact that that particular physician practising in the state of California in the city of Los Angeles pays \$47,000 a year insurance premiums for malpractice insurance. So I must express some concern with the vagueness of this term, that it could be part of an unnecessary move towards more of that kind of thing in Canada.

I recognize that one of the reasons we don't have it in Canada is that we don't have—what do the lawyers call it in the United States, contingency fees?—where they take a certain percentage if they win, and if they lose they don't charge you anything. I recognize that that's a factor as well. But I think certainly there are others.

Now we come to part III and it is because of my concerns about part III that I oppose the bill. I think the member and I share the concern that no person should be spending any more time in any of our psychiatric facilities than is necessary for that person's condition.

He pointed out—and if he hadn't, I was going to— that in every instance it's a judgement call. He, of course, has an advantage on me in that he is a professional in this area. I'm nothing but a layman. But even as a layman, I understand that this is one of those cases where I have to rely on the judgement of a professional person whose science is one that can never be codified, can never be carved in stone under a certain number of headings or points and left at that as being the final say on that.

The member knows, I hope, that shortly after I came into the Ministry of Health, because of interests I've had for many years, one of the very first things I did was to visit

Whitby. I want to emphasize too, it was a surprise visit. The only person who knew I was coming was the administrator and he was under strict orders that he was not to tell the staff, he was not to tell the patients, he was not to let the local press know—this was not a visit to attract attention. I wanted to remain.

Because of what I saw at Whitby, what I heard from the administrator, the staff, the patients, because of some experience I've had in my own family and with some constituents over the years, one of the very first things I did in this ministry was to order a complete review of The Mental Health Act, which is presently getting under way through the Council of Health.

One of the more important aspects of that review, in addition to getting their advice as to how mental health service should be delivered in this province, will be to get some indication from them after they have talked to such groups as the Civil Liberties Association, the Association of Psychiatrists, the Ontario Medical Association, the nurses' association, and so forth, would be their advice on administration procedures.

The member used the 70 per cent figure before to indicate that 70 per cent of the Form 1s were being filled out incorrectly. I think where he got that figure was from a statement I made where I indicated that 70 per cent of the people who are at present being admitted on Form 1s are either being released within the 30-day period or are becoming voluntary patients within the 30-day period. I don't have the figures with me but I would be glad to provide a breakdown by day.

Mr. Dukszta: May I raise a point of order here? I was referring to a study by Mr. Perrin, not to the figures of the minister.

Hon. Mr. Timbrell: Let me come to that study. That study, of course, is now two and a half or three years old, I believe, and is not current.

Mr. Dukszta: Excuse me, it was released only two months ago.

Hon. Mr. Timbrell: I know it was released only a couple of months ago but it is not current. The figures were obtained, I think, in 1974 or early 1975. So it really isn't current. It is not up to date at all.

Mr. Acting Speaker: Perhaps the hon. member can find an appropriate time to end his remarks.

Hon. Mr. Timbrell: Mr. Speaker, I am in sympathy with the general intent of parts I and II and will undertake to do more on that within the ministry. Because of the fact that part II really deals with a subject already committed to the public forum through the Council of Health, I will oppose the bill.

Mr. Conway: Mr. Speaker, I, like my predecessors, want to open by saying how very much a pleasure it is for a lowly backbencher like myself to participate in this unique new business that the House leaders have arrived at, if for no other reason than that it provides but one small opportunity for some of us to get out from underneath the wretched oppression of party politics, which some members across the floor, lately of this side, have found increasingly difficult to contend with.

The precedent was well set not so very long ago by my very good and hon. friend from Parry Sound in, quite seriously, an extremely interesting and I think historic debate in which I was very pleased to take a silent part.

Mr. Bullbrook: He has never taken a silent part in any session of this Legislature yet.

Hon. B. Stephenson: In anything. Not in anything.

Mr. Conway: I must say, Mr. Speaker, I find today some small measure of irony because I wonder if the Premier is not going to apply that right-to-die legislation to this 30th Parliament.

Mr. Sweeney: It won't be natural, though.

Mr. Conway: The member for Parkdale made reference to the lobbying that he has proceeded with, and I think to very considerable effect. I must say he is very adept in that. The only thing I was disappointed about was that we didn't get a dinner at the Harbour Castle, but perhaps lobbying procedures and private members' hours will proceed apace.

As to the bill, I think it is a timely and laudable initiative not only for the patient, but I think—and I know the member for York Mills (B. Stephenson) will agree with me in this—most assuredly for the physician as well. As recent litigation is beginning to indicate in this jurisdiction, we are heading into a series of difficulties that I think must be addressed by the legislative bodies throughout the land.

The fact is that the patient and the physician must be put I think on a more equal

status—not essentially or absolutely an equal status, because I do not believe from my own point of view that is possible, but I certainly believe we must move in the direction of equalizing the position of patient and physician in this particular area. I think it is extremely timely because as we all know this business of the health care delivery system in Ontario, as elsewhere, is of growing cost, complexity and controversy.

Part I, to speak very briefly to that, is something that I can support in principle. Not unlike the previous speaker from Don Mills, I have a certain reservation about the access and availability of records. I think that to be sure there is a prospect there for abuse, and I would be very concerned about what might happen under certain conditions. But surely that is a prospect and that is a condition that we face in our society at all levels.

[4:15]

Unlike members opposite, I for one believe firmly in the concept and the principle of freedom of information. I think to the extent possible, we can begin in this particular regard by implementing something of that approach in an area that is very essential to all our citizens in Ontario. I like the member for Parkdale's notion again of at least attempting to equalize the information as available to and between a physician and a patient.

Again unlike the member for Don Mills, who had some problems with part III, my difficulty comes very seriously in part II. I must say before getting specific in part II that as one member I certainly applaud the initiative. I think it is extremely important. I think it is something very worthy of a debate at a very early time and I am glad to have this opportunity this afternoon to participate in this. The general direction, the general drift and certainly I think the general intention of the member for Parkdale's Bill 33 is something with which I have a very strong community of interest and support.

That being said, I want to go on record as opposing very strongly the suggested implementation in part II. I think that while it is an avenue of approach, its imperfections certainly make it undesirable. For example, sections 7(1)(b), (c) and (d) talk about the advisability of the treatment of the medical problem, the objective sought to be achieved by treatment relating to the consent that is offered, and the nature of the risks inherent in the chosen treatment. It seems to me, again like the member for Don Mills as a lay per-

son, that those are matters of very great complexity that could only be made aware and available to the patient involved in such volume and complexity as to make the sought-for informed consent quite impossible, quite impractical and quite unattainable.

It seems to me if, in what I understand to be some of the obvious complexities, one is going to explain the nature of all the risks involved in some very complex disc problem that one might have in his or her back, the consequences of certain drugs and a variety of other such things, I can't imagine anything less than a 50-page document being involved—or at least a 25-page document. I think the member for Parkdale has been made aware of some of these concerns, but it seems to me that anything of that order will simply make impossible the whole business of the informed consent that is sought after. That at least is the determination that I would make.

In my area, I might say, this whole business is a matter of ongoing concern and significance. I stand here today partly as a spokesman for that concern, because we have had a great debate in my particular area, as I know the member for York Mills realizes, on this whole question of patient rights. But I just cannot see, with all deference to the hon. member for Parkdale, how section 7 and part II in general are at all practical or at all possible. I think they will eliminate, by virtue of the volume and complexity of those outlines that are expressed, the very informed consent that is deemed so essential.

It seems to me that a solution, and it is probably not as specific or heroic as the various aspects of section 7, part II, would be a greater emphasis on the basic education of our consuming public in this regard. It seems to me that the emphasis, if really placed there, might be more practical and might be more possible.

To a lesser degree I suppose, part III presents at least some further problems for me in the suggestions contained in section 10. I can certainly share what the member for Parkdale has said about the difficulties as they exist at present—the fact that there is an undue delay, that there is a judgement that no one person may like to take responsibility for. But I suppose it's going to be the judgement, if not of one, of a certain and reasonably limited group of people, and I'm not so sure that that will be any better in that particular regard.

My feeling on the suggestions held in section 10 really turns on the fact that again it would be bureaucratically difficult, perhaps impossible to secure the kind of counsel and

to process the sort of applications in the manner suggested that the hon. member might see as a solution. My only comment with respect to an alternative would be to make very clear to the present review committee that they simply must be more speedy in their deliberations and they must be more efficient in sorting out the problems that really we all can admit reside at present in the situation today.

In summary then, as a member of this assembly I want to commend very strongly the member for Parkdale for his laudable and timely initiative in this regard. While I cannot support some of the administrative procedures that he outlines, I share with him entirely the fact that we should take this to a committee where we could discuss and we could amend and we could perhaps evolve a series of other recommendations.

Mr. Acting Speaker: Order, please. The hon. member's time has expired.

Mr. Conway: I do think it is a number one priority in the health field today. I want again to say that as a member I support the general principle, and will be happy to do so when the vote arrives.

Mr. McClellan: Mr. Speaker, I too am very pleased to be able to have the opportunity to take part in this debate, which I think is still somewhat historic. I guess we're dealing with the fourth of what might be called the private members' freedom bills that have been introduced, and I think it is more than a coincidence that all of the private members' bills to date have dealt with some matter to do with the rights of the individual.

I want to speak in support of the principle of Bill 33. To me, this bill establishes some fundamental reforms that are long overdue. With respect to part I of the bill, the right to one's own record, I think myself that virtually everybody in this House agrees with the wisdom of those provisions and I don't intend to dwell on them.

With respect to part II, the right to know, the right to information with respect to he patient's medical condition, it seems to me that this bill in part II establishes the principle of the patient's responsibility for his own health care. It establishes the principle that good health is not something that is done to you by somebody else, but is something that each and everyone has his own responsibility for ensuring, is something that cannot happen in an authoritarian relationship and is something that cannot happen in the condition of ignorance.

The kind of mystery and mystique that unfortunately surrounds the provision of medical care is, as the member for Parkdale suggested, clinically harmful. We need to demystify and demythologize medical treatment, not for iconoclastic reasons but for clinical reasons, for reasons of good and adequate health care.

The kind of aura of priesthood that surrounds the medical profession and tends to dominate the doctor-patient relationship is a major barrier to the development of a rational, responsible, health care system and rational, responsible, intelligent health care attitudes. Ordinary people have the intelligence and the capacity and the right and the responsibility to understand the details of their own medical treatment and can assume responsibility for their own health care.

I represent a riding in which most of my constituents, I think it's fair to say, do not speak English. The majority do not speak English. The majority are unable to converse adequately with doctors in medical terms. For most of my constituents, medical treatment is something that is conducted in a foreign language, in English. It's mysterious, it's obscure, it's often terrifying, and it's mainly unintelligible.

I would hope, expressing a particular concern as the representative for the riding of Bellwoods, that this legislation would serve to force some changes in that situation—at the very least to force the provision of adequate translation services so that my constituents and the constituents of other new Canadian communities are able to receive medical service in a language, as the bill says, which is understandable.

Before I deal with part III, I want to make a qualification with respect to one detail of part II. I do recognize that there are circumstances where detailed knowledge of one's medical condition and of treatment realities could be emotionally very damaging. The rights to knowledge guaranteed under section 7 must, it seems to me, be established; but so, too, must the right to waive medical information be accorded to patients if that should be their wish. Should the bill pass, as I hope it does, and reach committee, I would move an amendment which would permit a patient to waive this right without prejudice to the safeguard that no external pressure in the form of denial of service would be permitted. But the rights in part I and part III would be confirmed under this bill, as amended, for those who wish to assume that right and for those who wish to assume a new kind of responsibility for their own health care.

With respect to part III, anyone who has worked in the mental health services field knows that this reform is long overdue. I had a case brought to my constituency office about two weeks ago of a young man who was a psychiatric social worker whose brother was an out-patient of the Clarke Institute here in Toronto. The brother who was the out-patient was unhappy with the degree of medication that he was being subjected to as part of his treatment and began to miss his out-patient clinic days. He went to the Clarke Institute to complain about the regimen of drug therapy that he was on; and he was involuntarily admitted, against his will and against the will of his family, including the brother who was a psychiatric social worker.

Whether or not that young man should have been involuntarily admitted was not the issue. The issue in dispute was the opportunity for an independent and speedy review, and under the present legislation that simply is not available. There was no recourse for him but to wait out the period of his involuntary incarceration. His member of the Legislature was powerless. The Ombudsman for the province of Ontario was powerless. Legal counsel was powerless. There was no avenue to determine whether an injustice had been committed in that situation or not.

This bill remedies that situation, because what we are talking about with respect to the powers of involuntary admission under The Mental Health Act is a kind of preventive detention, about locking people up, about a kind of imprisonment. We shouldn't be under any illusions with respect to that; we're talking about the ultimate denial of freedom on the suspicion of a potentiality to be harmful to oneself or to others.

[4:30]

Society demands the right by tradition, based on experience, to protect itself. But this kind of terrible power that society demands has got to be hedged in, in law, by safeguards that seek to protect the rights of the individual at every single step of the way in the process—protect him from what is the ultimate injustice and this is exactly what this bill does. It strikes a proper balance between society's need for protection and the individual's civil liberties by guaranteeing the right to counsel, by requiring an immediate outside review by the Attorney General, by limiting the right of involuntary detention without review to four days, by establishing a new stringency in the process of obtaining a certificate of renewal, a process

which would now require frequent reassessment at specified intervals to maintain involuntary detention.

Finally, it provides the opportunity for independent outside review by an independent outside psychiatrist. All in all, Mr. Speaker, this is a measure of reform which is long overdue in this province. I think that despite some concerns about details, we in this House can all support it in principle and when we get into committee, move to develop the kind of bill that each of us knows is utterly essential in Ontario at this time. Thank you very much.

Hon. B. Stephenson: Mr. Speaker, I rise to participate briefly in this interesting private member's bill, the aims and objectives of which are, I think, entirely laudable.

I do have some very real concern, not about the principle *per se* but about the methodology of achieving that principle through this enactment. The bill, in the first place I think, is too large and too comprehensive. I think it would be better separated into three specific enactments in order to provide the proper approach to each of these problems.

My concern with part I is specifically that there has been no definition of record in terms of the right of the patient to achieve information. The record for an individual patient may be in many places and I believe that this bill addresses specifically the hospital record. The hospital record is an important part of a patient record; it is not always the most important part and frequently is much less important than the record which is kept in the offices of specific physicians or consultants whom the patient has seen. Those pieces of information are not necessarily a part of the hospital patient record.

I agree, and I think all physicians agree, that the patient has the right to full information regarding his or her specific health problem or state of health. It is, I think, the responsibility of the conscientious physician to ensure that the patient is fully informed. But simply to give the patient documents is not the way to inform the individual fully of the purport of many of those documents. Laboratory records are not necessarily entirely understandable, sometimes even to physicians let alone to patients who have not had the benefit of several years of medical education.

I have some very real concern about the apparent lack of protection of the individual who is perhaps incompetent or is unmarried

and under the age of 18. It would seem to me much more appropriate to be a little more stringent about the person to whom such records could be delivered. I would have real concern that siblings or others within the family might, for somewhat nefarious purposes, attempt to gain control of these records or information from them.

Part II of the bill, Mr. Speaker, is the area which really provides concern for me. There is no doubt in my mind that every individual patient who is required to have any kind of treatment should be fully informed of the reason for the treatment, the kind of treatment which is to be provided, the possible consequences of that treatment and the hopeful objectives of that treatment. This is precisely, I think, what most responsible physicians have been attempting to provide verbally to their patients for many centuries. There is, however, a problem—and I will agree with many of the speakers who have arisen before me—that the mystique of medicine has inhibited the development of an acknowledgement within the individual patient of the right to information of this sort. Many individual citizens who are patients do not know or do not feel that they have the right to ask for a second opinion, to ask for a careful scrutiny of a consultation note, to ask for a personal examination of the x-ray record or something of that sort. There is nothing in law, nor is there really anything in practice that inhibits the exercise of that freedom on the part of the individual patient.

But the method set out in part II to provide information, particularly for an individual who is presenting himself or herself for a surgical procedure, I think is totally unworkable and does not, in fact, take into account the individual variations of human beings, which must be accommodated when one is attempting to provide meaningful information.

I have seen one copy of one form used by a patient information service in the United States that attempts to provide this kind of informed consent. It is for a fairly routine surgical procedure. The length of the document is more than 40 pages. It is written in reasonably sensible English so that most people could understand it, but it has one very grave omission—one thing that I think would have to be added to every single printed form. This document would have to contain a printed form for each and every surgical procedure. If you were going in to take out a gall bladder and found some other complication and had not informed the patient or given the patient the document about that

other potential complication, then perhaps you might be in difficulties with the patient and his lawyer after the surgical procedure. But one of the things that is omitted from all of these is the eventuality that accompanies every surgical procedure and many medical procedures. That is the eventuality that the patient might die as a result of it.

I think it would be entirely inappropriate in most instances to say to a patient facing, usually with some degree of tremulousness, a surgical procedure, that there is a real risk that he is going to die and to have it down in black and white. I just don't think that's a fair way to deal with human beings.

I think it is much fairer to leave it to the personal physician of that individual, knowing that individual very well, to select very carefully the words to be used in terms of providing the information verbally, fit those terms of that information in a way that the personal physician very well knows would be appropriate for that individual, and provide all the information apparently necessary in any of these instances. I really think we can do this without having it written down on pieces of paper which, I think, will probably simply complicate and disturb the lives of more patients who are likely to be candidates for both surgical and medical treatment.

I am fully in support of the concept of complete information to patients before they undertake or undergo any kind of medical or surgical procedure, but I think it has to be done properly, attempting to fit the information and the presentation of that information to the individual patient as one does in all instances in attempting to treat human beings.

My concerns about part III have already been mentioned specifically by the Minister of Health. This section of The Mental Health Act is under review; it is due for review. But I would point out one thing, that with the sequence of events set out in the Act as proposed by the hon. member for Parkdale, I would think we would have to direct all the graduates of medical schools to the specialty of psychiatry for at least 10 or 12 years to produce the kinds of numbers that would be necessary to have these certificates renewed at the interval suggested.

I think it is much more appropriate to leave this to the review committee that is at present actively pursuing this Act. I'm sure the hon. Minister of Health will refer this section of the hon. member's proposed Act to that committee where I think it can be very usefully employed.

Mr. Stong: Mr. Speaker, I rise in support of the principle of Bill 33 presented by the member for Parkdale, but I have approached it with the same reservations as expressed by my colleague from Renfrew North. With respect to parts I and II, I express and reiterate the same type of reservations expressed by my colleague from Renfrew North. I would like to devote my series of observations to part III of the bill with respect to the due process for involuntary patients.

There is no mistake about it that an involuntary patient is a person who is subjected to loss of freedom at the will of another individual. We must concern ourselves with the concerns of the doctor, the patient and the complainant in many respects—the complainant perhaps being the wife of an alcoholic, whose life is intolerable at home so she seeks some remedy for her situation and goes to her doctor and, with concern, gets her husband compulsory help.

In this respect, I draw the attention of the House to a study by two independent lawyers of the Canadian Civil Liberties Association who, after their study of this situation, found that at least 70 per cent of 200 certificates of commitment to Ontario mental hospitals were unlawful. Under The Mental Health Act as it stands now, a person can be confined against his will in a mental hospital for up to 30 days on the authority of such a certificate signed by only one duly-qualified medical practitioner. They found that of the 200 cases they studied, 70 per cent were unlawful. They approached the Ministry of Health with respect to the situation.

Despite the fact that The Mental Health Act is now under review, it is with that concern and with the knowledge of how slowly government moves that I support this particular section of this Act. I turned to some of the pages of our Criminal Code for guidance in this area with respect to this Act and what it's recommending. It recommends that there be a hearing in the adversary arena. It seems to me that in so far as a person is deprived of his freedom under this Act for the periods as set out in Bill 33, we must take it out of the realm of one individual person and take it into an adversary situation so that a patient who will lose his freedom pursuant to the sections of this Act can be properly represented and have his side considered as well.

Although this Bill 33 provides for referral of an application under section 8 within four days to the Attorney General, it is my respectful submission to this House that that should be tightened up even more so. The

existing offices of a justice of the peace should be used within four days so that the legal sanction of that office as an officer of the court can be used.

So in this sense I support this bill in principle and will support it in principle, hoping that it can be revised in committee to make it stronger, with more use of the adversary system to protect the interests of the individual who is subject to this bill.

Mr. Deputy Speaker: We have about a minute and a half if the hon. member for Peterborough would like to avail herself of the opportunity to speak.

Ms. Sandeman: Yes, I would, Mr. Speaker. I had hoped to have slightly more than a minute and a half.

I would like to speak very briefly to the section of the bill that I think is particularly important for women patients in this province. That is the section that suggests that information on both sides should be, as it were, equalized; that doctors and patients should go into a procedure on equal terms.

I think women have particularly suffered from the patriarchal nature of psychiatric treatment all around the world. I would say it is not just confined to Ontario. Women make up a larger percentage of psychiatric patients than men. It is strange that we have more men in jails and more women in psychiatric hospitals, which I think says something about socialization.

It seems to me that it's extremely important that women are aware of the grounds on which they are being given shock therapy, tranquilizers, anti-depressants and drug therapy, and that they are not just being drugged and shocked into an acceptance of the problems that have brought them to the psychiatrist.

[4:45]

A paper dealing recently with the adult sex roles and mental illness, which suggested that there are so many more women than men in psychiatric hospitals, summarized that there are ample grounds for assuming that women find their position in society to be more frustrating and less rewarding than do men, and that this may be a relatively recent development. Let us then, at this point, postulate that because of the difficulties associated with the feminine role in modern western society, more women than men become mentally ill.

It seems to me that if those facts are correct—and the many studies suggest they

are—that it is not enough for women to accept the explanation, “We are doing this because it’s best for you, dear.” Most know, for instance, that if they are given shock therapy for their depression they may, when they get home, find that temporary amnesia has set in; they cannot remember where their children’s diapers are kept. This happened to a friend of mine who was given shock therapy with no information about possible side effects. Informed consent must be equal on both sides.

I’m sorry I don’t have more time to speak to the other sections of the bill, Mr. Speaker. I just wish to go on record as being in favour of the principle of it. I’d like to say, in closing, I hope that when this bill comes to committee, as I hope we’ll allow, we would take care to deal with the member for Parry Sound’s bill at the same time. It seems to me that the groups who would wish to speak to that bill would be the same as those who’d wish to speak to this bill. We could usefully have both discussions going on together.

Mr. Deputy Speaker: There is no remaining time for item five.

ONTARIO HUMAN RIGHTS CODE AMENDMENT ACT

Mrs. Campbell moved second reading of Bill 16, An Act to amend The Ontario Human Rights Code.

Mr. Deputy Speaker: It is my understanding that the only speaker for the Liberal Party is the hon. member for St. George. Normally, she has 20 minutes to lead off. If there is unanimous consent from the House to allow her more than 20 minutes, I’d like to hear that from the House. I would like some guidance so that we won’t get into a problem later on.

Mr. Williams: Mr. Speaker, how much time would that allow the other speakers if her time is extended?

Mr. Deputy Speaker: Normally the sponsor gets 20 minutes, each subsequent speaker gets 10 minutes, until the time has expired, which would be at 5:50, I believe. Each speaker will have the floor for no more than 10 minutes, after Mrs. Campbell has had her 20 minutes.

Mr. Williams: And no less than 10 minutes, I presume?

Mr. Cunningham: We would agree that you have less.

Mr. Deputy Speaker: Ten minutes.

Mr. Williams: Then I have no objection, Mr. Speaker.

Mr. Deputy Speaker: Normally, one member can’t speak any more than once on a bill. If there is time remaining at the end, do we have unanimous consent to allow the hon. member for St. George to speak again?

Agreed.

Mr. Deputy Speaker: The hon. member for St. George, up to 20 minutes.

Mrs. Campbell: Thank you, Mr. Speaker. Before I proceed I, too, would like to state that I feel that this private members’ hour has definitely given to members of this Legislature the opportunity to place before the House, with the possibility of a vote, those matters which are of deep concern. However, I must say, Mr. Speaker, that great as our House leaders are, I really do think that the matter flows from the Morrow committee and not really at the initiation of the House leaders.

However, in speaking to this bill I would like to say something of my political passions over the years—of my participation in the democratic process. In order, I would say first, my passion for my country, one and indivisible; and two, my passion for the form of parliamentary democracy which we have in this country. It may not work perfectly and I suppose we could all concede that, but nevertheless it is one of the great forms of government available to mankind. I feel very strongly that unless those of us who care very greatly for it are prepared to concede the demos of the democracy, we will see it disappearing even more rapidly than it appears to be at this point in time.

Once we get to belief in the form of parliamentary democracy, then we must surely have a very strong belief in the rights and the dignities of the individual within our democracy. I can recall some years ago, as a member of the now-defunct board of control of the city of Toronto, when we had before us a group of young people who were designated—inaccurately, I believe, even in those days—as hippies and diggers. I can recall that they used every method open to them to seek audience with the board of control. They followed every legal procedure, but there were those on that board of control who felt that there should be some special

provisions before they would be enabled to address that august body.

I can remember stating at that time my very firm belief that democracy is a plant of very tender flower, and that if we can take a position that people don't have full dignity and full rights, because we don't like the way they function in society, then we have no democracy.

In approaching this particular bill, if I may I would like to read the proposed preamble to set the tone for what I am saying: "And whereas it is the public policy in Ontario that every person is free and equal in dignity and rights without regard to race, creed, colour, sex, marital status, sexual orientation, nationality, ancestry, or place of origin."

The government of this country has taken the position that it has no concern as a government with how people conduct their private lives. And while there may be those who disagree with what anyone does in their private lives, we are for the most part protected by the philosophy, and indeed by the law, of this country.

We have seen cases recently where those who are not heterosexual have been released from their employment by reason of the fact that they are homosexuals. There has to be a right to a person to employment. There has to be a right of some job security for those who do not follow the pursuits of what one deems to be the majority in either this province or this country.

One has to meet with some of those young people coming out of the adolescent period of their lives who are disturbed or bothered by their emotions and by what they see as their own differences. I had the occasion once to talk to a young boy who was over the age of 18 and who at least once had attempted suicide because of what he discovered in himself and because of what he saw society looking at in him. It was a very sad and a very painful interview but, as a result of that, I learned so much of human concerns and human problems.

I have a very strong feeling that liberalism must stand four-square for the rights of people to conduct their lives as they see fit so long, of course, as they do not contravene any legislation, and that, of course, applies to every single one of us.

It seems sad to me that it is necessary to debate this bill at this point in our history. I am aware that The Human Rights Code is undergoing a careful reconsideration. Having attended various commission hearings

held in Toronto, I am aware too that there are those who have difficulty with the terminology of this bill. But I would hope that in discussing its principle no one would be concerned to the point of opposing the bill on the basis of the fact that perhaps they feel that the legal definition should be somewhat different.

[5:00]

I used the term "sexual orientation" because it has a wide acceptance throughout this continent. We have seen those members of the Parliament of this country seeking to introduce similar legislation. Of course, I did not use the term "homosexual" because I felt that it might preclude those who were not male in origin. This is the reason for this terminology. I would certainly ask those who find difficulty with that particular expression to be prepared to accept the bill in principle, subject of course if necessary to further discussion as to what the appropriate language ought to be.

But I am not, Mr. Speaker, debating this on the basis of technicality. I am debating it on the basis of the right of human beings to full dignity and to full equality in this great democracy. If we turn our backs then I know that we have, to at least some extent, not only denigrated one group, but by some proportion denigrated the whole of our society. It is for this very reason that throughout my career I have fought for equal rights and equal opportunities for women, because their denigration is a denigration of the whole of our society. It is for this reason that I have fought against racial prejudice wherever I found it, because again that is a denigration of our society.

It was interesting that last night at a tenants' meeting in my area, a meeting to which I was invited, I was led into a discussion of this bill. A lady was there who had been a lawyer in Germany and she was speaking to the problems of a democratic society and her problems of being accepted here because of her origin. What I am proposing today is simply a symbol, and anyone involved understands that because there are still no teeth in The Human Rights Code.

You know and I know, Mr. Speaker, that you are not supposed to discriminate by reasons of race—yet there certainly is lots of evidence that that is still existing—or creed, or colour, or certainly sex or marital status. Yet we find it prevalent in our society. It is just that it is so difficult of proof. And in this case it will be no different. What it does, it seems to me, is to raise the level of our

perception in our society and to express the very real meaning of our acceptance of parliamentary democracy.

Mr. Williams: Mr. Speaker, I suggest to you that this bill, entitled An Act to amend The Ontario Human Rights Code, is ill-timed, ill-conceived and illogical.

Mr. Duksza: Of course.

Mr. Williams: I take this position for the following reasons: Firstly, presentation of the bill has to be ill-timed. As all members of this House are aware, The Ontario Human Rights Commission, as acknowledged by the member for St. George, has been engaged in a major public review of The Ontario Human Rights Code for more than a year. The past experiences of the commission are being assessed. The results of this research are being combined with a careful examination of the existing and proposed human rights legislation of other Canadian provinces and of the government of Canada, as well as the laws of other countries.

Whether we, as legislators, will agree with the recommendations of the commission in total or in part is at this time beside the point. The fact of the matter is that the commission will be publishing its findings and recommendations this spring. Accordingly, it is obviously inappropriate for the Legislature today to be dealing prematurely in a piecemeal fashion with proposals for changing the existing Human Rights Code on the eve of the commission handing down its report.

Mr. Conway: And on the eve of other things.

Mr. Williams: One could say that this precipitous action by the member for St. George unfairly usurps the review process being engaged in by the commission. Secondly, Mr. Speaker, this bill has to be ill-conceived if one is being asked to identify and accept "sexual preference" as a further basic cornerstone of The Ontario Human Rights Code. The code proclaims that as a matter of public policy every person is free and equal in dignity and rights without regard to race, creed, colour, sex, marital status, nationality, ancestry or place of origin. These eight basic tenets upon which the Act is founded have one thing in common. They describe the basic condition of man without which man cannot exist as an entity.

On the other hand, sexual preference is a term that does not fall into this fundamental definition. Sexual preference does not

pertain to a basic condition of man but rather, I suggest, relates to the human activity or social behaviour of man.

In the event that the commission were to recommend that the codification of The Ontario Human Rights Code should be so broadened such as to not only protect the basic condition of man from discriminatory practices but as well to prevent discrimination against every form and act of social behaviour, then the present strengths of the Act might well be discredited by the total presumptuousness it would assume in purporting to become a state-imposed version of religious and moral philosophy.

I suggest that we cannot legislate morality or social behaviour, nor was this the intent or purpose of The Ontario Human Rights Code. The Act was designed to protect from discrimination the fundamental condition of man over which he basically has no control.

The basic conditions of race, creed, colour, sex, marital status, nationality, ancestry or place of origin are not related in any way to his daily activities or personal preferences whether they be sexual or otherwise.

Thirdly, the whole tenor of the proposal has to be illogical in that such a law would not only condone homosexual activity, it would be dictating that any form of sexual preference, whether it be heterosexual, homosexual or otherwise, must be equally accepted by society as a legitimate and normal behaviour.

Mr. Samis: You and Brian deserve each other.

Mr. Williams: The interesting aspect of the movement by the homosexual community to gain such social acceptance is its shift of emphasis on its plight, from being a minority group of people with abnormal sexual beliefs and behaviour to being a normal but misunderstood and discriminated-against minority group being denied its civil rights.

Their persistence in this regard has had some limited success in quieting those who would challenge their right to assume a mantle of sexual normalcy. The fact that society as a whole recognizes abnormality in homosexual behaviour does not mean that the homosexual is deprived of his civil rights, as suggested by the homosexual community. That argument evaporated with the amendments to the Canadian Criminal Code in 1969, which removed prohibitions against homosexual acts between consenting adults in private.

However, without either malice or pity for the homosexual, one must ultimately reflect

upon the medical and moral aspects of this type of sexual preference or behaviour. In order to assess the validity of their argument and the appropriateness of this bill, the issue is put in clear perspective from a medical point of view in an editorial printed in the April 1973 edition of the highly-respected American Journal of Psychotherapy. The editorial states in part as follows:

"It would appear to be a distortion of reality to deny that homosexual behaviour, when there are heterosexual partners readily available, constitutes a gross distortion of basic drives that are applicable to all animals in whom there is a differentiation between males and females for reproductive purposes.

"The basic purpose of sexual differentiation, even limiting the phenomenon to mammals, is for the propagation of a species. This does not mean that humans must reproduce to be normal, since reproduction can lead to overproduction which would be harmful to the species"—

Mr. Wildman: I think that argument is specious.

Mr. Williams:—"a problem we are experiencing during the current period of demographic over-concentration.

"However, distortions of basic instinctive animal drives upon which the survival of the species could theoretically depend, cannot be considered in the same light as psychodynamic and psychophysiological disruptions such as frigidity, premature or retarded ejaculation and the like. Overt, compulsively repeated homosexual acts, when heterosexual partners are freely available, constitute a distortion or deviation from basic instinctual drives. These acts in themselves are documentations of the label of illness, even if the individual functions well vocationally and socially in other ways.

"We cannot agree, then, with the ideas expressed by some that many homosexuals function in a way that cannot be considered an illness, nor do we countenance that almost frivolously expressed view that homosexuality in itself merely represents a variant sexual preference, with the implication that it is abnormal only because society has traditionally disapproved of it.

"The so-called scientific backing accumulated by the spokesmen for the various Gay Liberation groups that implies homosexuality is a variation of normalcy is, for the most part, poorly conceived both conceptually and methodologically."

With regard to the moral issue, I am not aware any of the great religions of the world give credence to the belief that homosexual behaviour is a newly emerging, acceptable and normal social behaviour designed for our "modern times." Nor can the argument for normalcy be made on the broad grounds of natural law and social function.

Suffice to say at this time that I am opposed to this bill, which if enacted would in essence be an accommodation by the state for those in our community who seek a new morality for our society.

Mr. Conway: That's Herbert Spencer upside down.

Mr. Williams: The common good would not be served by this type of legislative action.

[5:15]

Ms. Sandeman: I think, Mr. Speaker, the remarks we've just heard demonstrate better than anything any of us could say the extraordinarily complex nature of prejudice, bigotry, discrimination and fear which makes the private member's bill of my colleague from St. George necessary at this time.

Mr. Mancini: That's an unfair statement.

Ms. Sandeman: I don't intend to answer the remarks of the member for Oriole. I believe he made very much the same speech the last time that the member for St. George introduced her private member's bill on the same subject. But I do feel that in some sense further debate on this subject is unnecessary, because it should be self-evident that we must protect people's civil rights. The previous speaker has made it clear to me that it is not yet self-evident and that we must do, symbolically and by token, what we can to protect the rights of everyone.

The question as to the prematurity of this discussion, which the member for Oriole touched on, I think is a red herring. It is never premature to try to protect the civil rights of any group in our society. We don't have to wait for commissions to complete their work, for legislative procedures to grind on their slow way. In fact, I think in a sense we have to call the bluff of another legislative assembly—the Canadian Parliament—which, I understand, through the minister responsible for human rights at the federal level, is reluctant to include sexual orientation or sexual preference as part of the federal human rights legislation because the minister said:

"I have seen no sign from any provinces that they wish to include this in their legis-

lation. We'd like to see this being done across the country and this would give us some sense that the people of Canada wish to include this extra clause in the legislation."

I would like to say that we have a chance today to call the bluff of the federal Liberals, to give them a lead, to say to them clearly that the people of Ontario wish to include—

Mr. Conway: Give the federal Liberals a good kick.

Ms. Sandeman: Yes—wish to include the term "sexual orientation" in our human rights legislation because we are aware that contrary to the previous remarks, sexuality is part of a person's make-up. Just as our intellectual nature and our emotional nature are grounds on which I hope we would not discriminate, so should sexuality not be grounds for discrimination.

It seems to me there have been movements across the country to favour the inclusion of sexual orientation in human rights codes. The New Democratic Party in Ontario, Alberta and Saskatchewan has come out strongly in favour of including sexual orientation in both federal and provincial rights codes. The Windsor, Toronto and Ottawa city councils have already prohibited discrimination against city employees in hiring practices on the grounds of sexual orientation. The Saskatchewan Federation of Labour has addressed itself to the question of discrimination by labour bodies. It seems to me it's high time this Legislature gave a legislative lead in this area.

There has already been one landmark case in British Columbia, which, although it doesn't include sexual orientation as such in its human rights code, did rule in favour of—I can't find the gentleman's name—an action against the Vancouver Sun, which was discriminating against a homosexual group in that province. The ruling, I think, of the BC rights commission is something that perhaps we should take into account as some kind of counter-argument to the remarks of the member for Oriole. I won't read all of it, but I think it is an important ruling. It comes from a Human Rights Commission, and it reads in part this way:

"By recognizing that homosexuals exist, society is simply acknowledging that there are, in fact, people who do have what is, for them at least, a quite natural ability to relate sexually and emotionally to others of the same sex. By accepting this fact, society is having regard to the preponderance of evidence and professional opinion that exists to the effect that homosexuality is not an illness

and not a mental disorder and that it is a predominant and permanent characteristic of a significant portion of our population, perhaps as much as 10 per cent thereof."

The ruling concludes by saying:

"So it is that we can safely conclude that the acceptable standard of decency which we wish our society to maintain is in no way threatened or challenged by our taking, as a society, a tolerant and mature approach to those homosexuals who are not breaking the law and who seek only the right to live normally in society without fear of persecution or discrimination."

It seems to me that although we know that human rights codes—and The Ontario Human Rights Code is no exception—traditionally have no teeth in them, we must make this symbolic gesture. We might then be able to prevent the kind of discrimination which we saw at York University last year, when York University refused to rent double rooms to unmarried persons of the same sex, although they accepted that a young man and woman could rent a double room with a double bed. There seemed to be some discrimination shown because they wouldn't rent the same room to two young women.

As an aside, I would like to say that social mores have certainly changed since I was at university 25 years or so ago. In those days my university would cheerfully have rented the room to myself and a female friend, but they would never ever have rented the room to myself and a young male friend. It seems to me that we should have reached the stage in 1977 where we say to people, "If you and friend of whatever sex wish to rent this double room, you may."

Mr. Bullbrook: You were born too soon.

Ms. Sandeman: I know. That's our tragedy.

Mr. Conway: Who says the Attorney General doesn't have influence!

Ms. Sandeman: If we find that people at universities or whatever are discriminating against the renting of accommodation on grounds such as these, then we certainly need the amendment that has been introduced today.

It seems to me we still might find that the CBC ban on public service announcements for gay groups would have a possibility of continuing, although I assume that—

Mr. Bullbrook: Does that really exist?

Ms. Sandeman: Yes, it does. The CBC refused to accept public service announcements from homosexual groups. That was in Halifax, I believe; not necessarily right across the country. I hope the section of the code that addresses itself to denying services or facilities in any place to which the public is customarily admitted would cover that kind of discrimination.

Discrimination is so often happening in small ways—important to the victims of it; not obvious to the rest of us—but in very insidious ways based on prejudice and ignorance, which the symbolic action of including this in The Human Rights Code would go some long way to correcting.

Mr. Sweeney: Thank you for the opportunity to speak, Mr. Speaker, despite the statement you made at the beginning.

My feelings are very similar to those of my colleague from St. George when she referred to the anguish—I guess that is the only word I can think of—of listening to, speaking to, trying to understand and trying to be of assistance to young persons who find themselves to be homosexuals. This is something that in my experience, as a teacher of many years, having worked in many different ways, that people deliberately come to; they simply find it's there.

I agree with my colleague from St. George that such people are very vulnerable in our society today. For that reason, I applaud her courage in introducing this bill. And it does take courage to introduce a bill like this in our society today.

But—and, unfortunately, there's always a "but"—there is another group of people in our society which is equally, if not more, vulnerable. That is our children and adolescents. While I can completely agree with the member for St. George that among adults such legislation is needed in our society, I have one grave reservation. I would not be prepared to support this, or any similar legislation, if it gives equal access to homosexuals dealing with children.

For example, I would be one of those who, as a parent and as a teacher, would have to feel that equal access should not be given to those teaching in our schools. My reason is that my experience, both as a parent and as a teacher, shows me that young people, particularly adolescents, are going through the emotional stress of trying to find out who they really are and what their own orientation is. They do not need to be put into the additional stressful situation of coming into contact with an adult model that presents

to them a form of behaviour quite inconsistent with the norm. I believe we have to appreciate that homosexuals in our society face many problems. If there is any way we can prevent some of our young people from becoming homosexuals, we should do so.

We also have to recognize that homosexuals, because of the very nature of their concern, do not usually have children of their own. Therefore, it is only the children of others that they are able to influence. For that reason, and because there is nothing in this bill—and I haven't heard anyone speak to the point that would put that particular limitation in—I must say I will have to disagree with the bill, although I very clearly understand the impetus behind it. I say that our children and our adolescents have to take precedence in this matter.

Mr. Grossman: I rise to speak on this matter, as I did on a previous occasion. I think it's only appropriate to begin as I did on that earlier occasion—with part of the preamble to The Human Rights Code, which has been read earlier. It is public policy in Ontario that every person is "free and equal in dignity and rights, without regard to race, creed, colour, sex, marital status, nationality, ancestry or place of origin." That is the appropriate place to begin, it seems to me, because that's really what the debate today should be all about; that is—free and equal in dignity and rights. I think it is wrong, improper and irrelevant for any portion of the debate today, or any portion of any member's consideration with regard to this debate today, to be centred upon his or her personal feelings with regard to the subject matter at hand or those who would be directly affected by the passage of this legislation.

Mr. Conway: Thanks for telling us the member for Orillia is irrelevant.

[5:30]

Mr. Grossman: The point at hand is whether each person in this province is entitled to some certain basic rights, regardless of what his personal situation might be. It no more requires one to put a stamp of approval on the subject matter at hand than to say that one by voting for any piece of legislation is putting an equivalent type of stamp of approval on a particular piece of protection that's being provided by The Human Rights Code.

What this bill is doing is saying, "Look, not only don't we care what you do privately, but we are willing to ensure that you will not be discriminated against because of what you happen to do privately." That's far from

approving it for those who seem to feel that supporting this legislation indicates approval or for those who want to mix this into their consideration of this legislation. It's not a stamp of approval. To those who want to continue to deal with this in terms of whether it is a sickness or a problem or however their minds want to deal with it, I say that's academic. Let them call it what they want but let them not permit people to discriminate against persons because of that sickness, infirmity, proclivity, or whatever it is they want to call it.

I don't want to get into a debate, nor do I think it's relevant to get into a debate, with regard to how one ought to define that certain pattern of behaviour. The question is should one be denied housing? Should one be denied employment because of that personal situation? That's the simple test. Is one not entitled to simple human rights in the very words of the title of the code? Isn't one entitled to that very basic protection?

I haven't heard anything today that says one should be denied the right to be employed like anyone else, or to be housed like anyone else. Unless one is prepared to say that, then one ought to be supporting this legislation.

I was shocked this afternoon when I wanted to look back at my earlier remarks on this subject, which were made on May 6, 1976, and I took out the index of debates and proceedings of the second and third sessions of the 30th Legislature. I looked up the index and where do you think this debate is indexed. Unbelievably, it is indexed under "Deviant Persons." "Deviant Persons" that's where one will find what everyone said in this debate last year.

Mr. Conway: Beware of the index

Mr. Grossman: I think it is highly improper. I think it indicates, however inadvertently this may have occurred, the subconscious way in which certain persons are quite liable to treat persons about whom we are talking today, and indicates the very need for this legislation. That's precisely why they have to have their rights protected under The Human Rights Code.

Imagine this documents, this book—an official book, the debates and proceedings—in which this debate last year was categorized under "Deviant Persons." I can't understand it, but I say that in itself speaks volumes, speaks directly to the subject and says exactly and more precisely than any of us could that certain persons in our society need

protection in order to be able to walk around with dignity.

Let me say that the problem of this legislation inviting or appearing to invite persons to enter educational institutions in particular or allow it or whatever, in order to kind of propagate, sell or whatever, homosexuality gives me a lot of trouble. I am able and willing to support this legislation on the presumption and the hope that if it is passed, and it is with this presumption that the member for St. George will refer this matter to committee so that the committee may deal with that problem at that time.

It is important in the face of the snide remarks one hears in the halls of Queen's Park and in the halls of schools and in the halls of any place of assembly and on the streets and in schoolyards—everywhere from law courts to I don't know where, but you hear them everywhere—to realize it should be the case that dignity and self-respect are what a democracy is all about. Regardless of what type of private behaviour one is protecting, one must provide that protection. Let us have no more overt, never mind covert—we can only control overt activities—let us not have any more overt activities such as a description of deviant persons in books and annals of this assembly.

Mr. di Santo: Mr. Speaker, I rise in favour of Bill 16, An Act to amend The Ontario Human Rights Code, if for no other reason than the reasons given by the member for Oriole. He is not irrelevant as the member for St. Andrew-St. Patrick said, but it is his expression of prejudice and expression of a discriminating mentality that is dangerous in our society and that we should eliminate.

In discussing the actual content of the bill, we must not lose sight of the fact that we are not giving any special right to homosexuals. Rather, we are giving them the same fundamental right heterosexuals have, not to be harassed or dismissed on the basis of their sexual preference. Most heterosexuals could not even conceive of such a reason being based against them, yet it is a fact of life for many homosexuals. Discrimination in this respect, denying homosexuals the opportunities available to others, is as destructive and threatening to a free society as any other form of discrimination.

On discrimination itself there are those in this House and elsewhere who might try to justify discrimination against homosexuals, and the member for Oriole gave us an example before. One of the most frequent arguments used against homosexuals is that they are

harmful to society. Not knowing much about the subject before Bill 16 was introduced, I spent some time reading material on homosexuality, and I found also the concept of deviance mentioned before by the member for St. Andrew-St. Patrick. I might suggest to those members speaking against the restoration of this basic right to non-discrimination in employment to do the same—to read a little.

With respect to deviance in general I found that the term, though used in a pejorative way, is in fact neutral. The authors I read suggested that deviance merely characterized a difference in direction between one group or individual and the majority. There is no question, therefore, that homosexuals are, in one sense, deviant.

They are estimated to form no more than 10 per cent of the population. Bill 16, if passed, will strengthen the social fabric in Ontario and put this Legislature on record as saying that the rights of all minorities are protected—not only those who are more visible, due to colour or religion, but those in the less visible minorities.

Professor Baz, a professor of sociology, suggests in his book a means by which we should judge deviance, and I quote: "Both deviance and conformity must be examined and judged according to the social cost that they exact and the contribution that they make to society." Let us in this Legislature strike that balance by recognizing that the real problem of discrimination in employment is not the orientation of the homosexual employee, but rather intolerance and prejudice. Let us put the case of John Damien and other wrongfully dismissed homosexuals in a proper perspective. Let's guarantee the right of gay people to follow the opportunities and protections everyone else has and expects.

On the topic of the homosexuals themselves, there are some who would argue that these are not quite as bad as they say. Some would also argue that homosexuals have the same rights as anyone else; but that is not the case. In 1974, the Institute for Sex Research at Indiana University compiled the results of an 11-page survey sent out to over 3,000 homosexuals in the United States. All of the results were statistically significant. To demonstrate the great feeling of repression and alienation in the homosexual community, let us look at a few of the questions asked and the responses.

One of the questions was, "Would there be problems at work if people found out that you were a homosexual?" Seventy-six per cent

of the respondents said there would be problems; almost half of these said the problems would be quite serious.

Another question was, "How do you think most people feel about homosexuals?" Sixty-seven per cent of those answering said they felt most people were disgusted by, repelled by, or simply disliked homosexuals.

Can you imagine, Mr. Speaker, what it must be like to live with constant fear, the fear of losing one's job, of being exposed or of losing one's self-respect? I would submit this is not a fair burden for the homosexual to bear.

As for the actual extent of the problem, the respondents were asked, in the same survey if they had ever lost a job because of their sexual orientation. Sixteen per cent of those answering said yes. If these figures are the same for Ontario—and I doubt they are substantially different—this is a disgrace. Even one tenth of one per cent would be too many losing their jobs for being homosexual.

Thus far, I have dealt with two questions: those of the homosexual's problems and of deviance in general. The third thing I would like to turn to is our role as legislators in this whole debate. Researchers for the Institute for Sex Research in Indiana concluded their study by noting that, "Research on racial minorities has shown that one of the more effective ways to make society's reaction less negative is to change the institution that sustains discrimination. When this is done, a change in industrial attitudes often follows."

Bill 16 addresses one of the primary targets for change: discrimination in employment. Until we, as legislators, make a firm commitment to the right to employment, this discrimination will continue.

Once again, summing up, I would urge all members present to support Bill 16 and end discrimination against homosexuals in employment.

[5:45]

Mr. Speaker: I understand the member for St. George had four or five minutes left which she might wish to use.

Mrs. Campbell: Some things have been said in the course of this debate that bother me somewhat, Mr. Speaker. The member for St. Andrew-St. Patrick spoke of whether or not this bill provided for the proselytizing in the schools. If the Attorney General were in this House, I think he would recall a period in 1973, when three candidates for the riding of St. George were asked by the gay community whether we would permit the pro-

selytizing of homosexuality in the schools. As I recall it, the Attorney General at that point said he wasn't very much aware of the situation and therefore had no opinion. The present member for St. George said no, as indeed did the member of the triumvirate on that occasion representing the NDP.

There is nothing in this bill that talks about proselytizing and there certainly is no such intent. As far as I am concerned, the whole matter of sex education in the schools has to be very much improved before anyone should go into proselytize at all. I understand the concerns, and they are honest concerns, of those who feel that the young in our community possibly could become influenced by homosexuals. But there is simply no evidence at all that this exists in our society, that children are any more influenced by homosexuals than they are by heterosexuals who indicate behaviour that probably no one in this House would accept.

I find it difficult, having regard to my career of concern for children, that anyone would suggest or think I would be promoting something that could harm children. We have rapists at large in our community and we don't worry about whether or not they are in the schools. But I suppose there is a very good reason for that. We have never felt rapists should have anything other than the full protection of the law of evidence and of everything else. I become somewhat angered when I find we so placidly accept that situation and then find all sorts of ways to defeat the very simple purpose, which is to give

equality and dignity to a group in the community.

Sufficient members having objected by rising, a vote was not taken on Bill 33.

Mr. Cassidy: Shame. It is a shame, Mr. Speaker.

Mr. Speaker: Order, please. So are the interjections.

Mr. Renwick: It is parliamentary, though.

Sufficient members having objected by rising, a vote was not taken on Bill 16.

Mr. MacDonald: What are you people doing? Destroying the private members' hour?

Mr. Cassidy: You are making a mockery of it.

Mr. MacDonald: You won't even allow a free vote. It's disgraceful.

Mr. Wildman: We are back to where we were under the old rules.

Mr. Lawlor: Still the old superiority complex.

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT

House in committee on Bill 28, An Act to amend the Residential Premises Rent Review Act, 1975 (2nd session).

The House recessed at 5:58 p.m.

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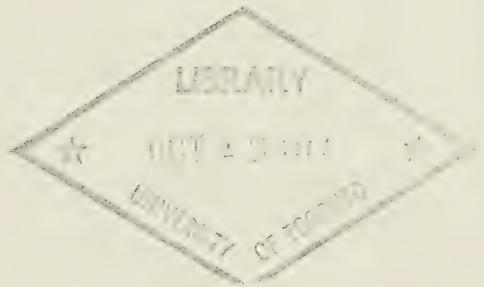
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Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition



Fourth Session, 30th Parliament

Thursday, April 28, 1977

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 28, 1977

The House resumed at 8 p.m.

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT (continued)

Mr. Deputy Chairman: Any comments, questions or amendments to any section?

Mr. Deans: Mr. Chairman, I rise on a point of order. I had handed to me some 45 minutes ago, over the signature of the government House leader, a letter that says as follows:

"I am authorized to indicate that the government views protection for Ontario tenants, as embodied in the rent control legislation to be considered tonight by the committee of the whole House, as a matter of extreme importance to the government programme.

"Any failure to pass this legislation before May 1 by the Legislature, or any passage of an amendment lowering the guideline, would be an expression of a serious lack of confidence in the economic and social programme of the government, which the government would take very seriously indeed.

"The lowering of the guideline to six per cent from eight per cent would almost certainly cause many more landlord appeals, which would result in higher rents being paid by many, due to rising costs which could be shown during the appeal process. Incentives to further rental construction would be severely limited at a time when further rental construction is both needed and helpful to job creation in Ontario."

Mr. Chairman, my point of order is this. Not 24 hours ago we were asked by the government to agree to suspend the normal rules and to move to bills in order that passage could be obtained for this legislation, and we agreed.

Mr. Sweeney: It is what they call a double-cross.

Mr. Deans: We understood it was important to the tenants and the landlords of the province that, prior to May 1, there be

legislation in force that would clearly set out the limits within which they should operate. What I do feel, sir, is that it would have been honourable, to say the least, had the government placed before us in addition to its request, its intention to consider the matter one of confidence.

Mr. Conway: Without honour—without honour.

Mr. Deans: I want to say to you, sir, that this party, having put before the government, on numerous occasions over a number of weeks, its intention to move to six per cent from eight per cent, doesn't intend to be intimidated by the government's views. We don't intend to allow this to interfere with what we consider to be the proper legislative processes, which allows the members of the—

Hon. Mr. Bennett: Point of order?

Hon. Mr. Handleman: What is your point of order?

Hon. Mr. Meen: Point of order?

Mr. Deans: —Legislature to hear the debate on the matter and to come to conclusions at that time. We consider the government's motion and intention to be frivolous.

Hon. Mr. Welch: Mr. Chairman, I feel some obligation—notwithstanding the fact that I haven't heard the point of order—to put on the record the events that have happened since yesterday. It is obvious, for reasons shared by all the members of this House, that it is necessary to put this particular legislation in place before the end of the month—before May 1.

Mr. Lewis: It is necessary for your silliness, your political silliness—

Hon. Mr. Welch: The point is that we were carrying on in the spirit—

Mr. Warner: It is transparent.

Mr. Lewis: Goodness—grown men and women.

Hon. Mr. Welch: —of consultation. There was, in fact, consultation as to whether or

not we could proceed with this particular legislation this evening. To suggest some other procedure should have been followed is beyond my comprehension, because that's exactly what we've been doing ever since the election of October 1975—in the spirit of consultation.

Mr. Davidson: Who wrote the letter?

Mr. Warner: It is your letter.

Hon. Mr. Welch: The question came up at noon hour today. The House leaders meet every Thursday at noon. The question was raised at that particular time as to the attitude and I indicated the matter was being reviewed and was being considered. At 4:30 this afternoon I indicated to the leaders I would like an opportunity to meet with them, and at 6 I suggested we could discuss it at 7 o'clock.

To suggest to the House that there hasn't been reporting and consultation in this matter is, I think, a very unfortunate impression to leave; notwithstanding the fact that I still don't know just exactly what point of order I am speaking to. I don't see the point of order.

Mr. Warner: Shame.

Mr. Deputy Chairman: Order, please. The bill has been referred to the committee for consideration. It is in proper form. I suggest we go ahead with debate on the clause by clause.

Mr. Breithaupt: Before that matter happened, Mr. Chairman, I did not have the full opportunity to hear the comments that went back and forth across the floor. However, I understand, having been somewhat involved with the situation, that my friend the member for Wentworth commented upon the efficacy of having—

[Applause.]

Mr. Lewis: Can we touch your garments? You should cross the floor.

Mr. Givens: The Messiah has come!

Mr. Good: It's the first time the Premier has been here for three days.

Mr. Deputy Chairman: Order, please. The hon. member for Kitchener has the floor.

Hon. Mr. Davis: The Leader of the Opposition did touch my garments.

Mr. Breithaupt: Mr. Chairman, could we have these two people seated, please?

Interjections.

Mr. Deputy Chairman: Order, please.

Mr. Breithaupt: As I said before I was so rudely interrupted, the efficacy of this letter has been discussed across the floor. It is clear that on consent, discussed by the House leaders and by various members of the caucuses, it was agreed that the House would go into committee of the whole to deal with this bill, and that was done some moments before 6 o'clock this evening. Whether a certain letter has been received, with contents that may or may not influence the results of government decisions after the committee deals with a certain bill in a certain way, is I should think of no particular consequence at this point in that we have agreed to go ahead with dealing with a certain bill.

Now then, Mr. Chairman, I too have received a certain letter.

Mr. Reid: "Dear Jim," it says.

Mr. Breithaupt: I was even apprised of certain other comments made, and I viewed various copies of the letter that the press had on hand when I happened to be approached a few moments before 8 o'clock.

Mr. Nixon: Dictated by Lester Davis.

Mr. Breithaupt: The end result, of course, is that we have received a certain letter which advises us as to attitudes which may or may not be taken as the debate on a certain bill proceeds. We have received the letter and we shall deal with the bill as we think best.

Interjections.

Mr. Deputy Chairman: Order, please. We are considering Bill 28. Are there any comments, questions or amendments to any section? If so, to which section?

Mr. Lewis: It has a very insidious effect on the speech habits over here.

On section 1:

Mr. Chairman: Mr. Breaugh moves that section 1 of Bill 28 be amended by changing the number "eight," where it appears in subsection 1, to the number "six."

Mr. Breaugh: In discussing the bill, we have dealt with this bill in principle and covered the majority of the problems that deal with the rent review legislation in the province of Ontario. The amendment we are proposing now deals with the very crux of

the matter. In the second year of a programme designed by the federal government, to which this rent review programme is closely attached if not inseparably identified, there is this problem of everything else in the public and private sector being controlled at this level.

Without embracing a programme we do not like, we simply want to recognize very simply the numbers that are involved, because they are the important things. We are not given to long diatribes about what programmes we ought to attach ourselves to or what the federal government is doing. We want to address ourselves very directly to the concept of eight per cent or six per cent, and so our amendment is worded directly in that way.

We believe that if people have had their wages controlled to a six per cent level, and if other aspects of the economy that are controlled in that manner supposedly are controlled at that level, very simply the rents ought also to be set at that level.

As members of this House, we had presented to us this afternoon, and they were presented previously, a series of numbers that might indicate a higher level would be justified.

Hon. Mr. Handleman: Last week, not this afternoon.

Mr. Breaugh: Oddly enough, it is a level which the government proposes in this particular legislation.

I want to point out to the members of this House that those numbers are, I think, presented in isolation; they do not reflect similar findings or similar studies done in other jurisdictions. Whatever numbers game anyone would care to play, the plain fact for tenants is very simply that you can't control their wages at one level and their rents at another. If you are entering into the kind of controlled economy that we are purporting to live in these days, then we ask for, at least, a measure of fairness.

We are going to propose—as we said in discussing this bill in principle—a number of items, a number of amendments that are substantive. We do not intend to spend a good deal of the House's time this evening dealing with whether we have used the proper wording or whether we have got the right "it" crossed. We want to deal substantively with the rent review programme in essence. We want to set a realistic figure in this particular subsection of six per cent; in other jurisdictions, like British Columbia

or Quebec, it has been set at a lower level than this government proposes.

Hon. Mr. Handleman: There is no guideline in Quebec.

Mr. Breaugh: One small irony that you might want to take note of is that in preparing its cost estimates—the ones that were distributed to the members of the House this afternoon—the government almost doubled the amount allowed for administrative costs, almost doubled the amount it previously gave its own rent review officers; in the rent review officers' manual they indicate that five per cent is a sufficient amount of allocation for administrative costs. Yet you find in the material distributed this afternoon, that it has jumped to nine per cent.

Mr. Conway: Sorcerers.

Mr. Warner: Shame.

Mr. Breaugh: We find that to be an inconsistent position for the government to take. We also find the numbers—the justification, for the eight per cent—to be insufficient; that does not stand up. I suppose that one could argue that next winter will be a very cold winter.

Mr. Grossman: For you it sure will.

Mr. Breaugh: But that's hardly fact just yet and hardly the basis for it. What we are proposing with our amendments is a rent review process that works and works well, that allows those people who want to go through the rent review process to have a full hearing; not to do it several times during the year, but to do it once; to clean up some of the obvious problems that have been found in the rent review legislation that now exists.

We think, Mr. Chairman, that a very basic premises for that is the guideline that is set. What we are saying is that it is a guideline, not a finite number; that the guideline ought to be a base number with which there is no argument from either side. That poses, in our view, that the guideline ought to set at the lower limit. That way we can handle a rent review process that is fair, that allows actual cost pass-throughs to be passed through; there is very little opposition in any quarter as to that being an agreeable and acceptable concept in rent review legislation. If there are actual costs—not projections, not magic numbers pulled out of a hat—they will be handled by the review process; which as I understand it is the reason we adopted a reviewing process, to have a fair hearing, to hear both sides of the argu-

ment, to look at the facts; to accept, if something is realistic and can be clearly established, that it be passed through.

In my experiences with rent review in the province of Ontario, everyone accepts that notion. What we are proposing in this specific amendment is the guideline.

What should it be? It is our estimation that six per cent is slightly high but it is a fair one. According to our calculations on what the guidelines should be, you could actually say that it could be 5.38 per cent, it could go that low; and you might take your projection up to 5.92 per cent. But, certainly, if you adopted a six per cent guideline that would be fair and adequate as a basis for rent review legislation in the province of Ontario. If costs actually go over that amount, you have the rent review process.

After all, we have the process in place and the government is not discarding the review concept. What we are saying is that since you have a base guideline that is there, that's acceptable to all concerned and realistic, then past that point you go to a review process where you analyse actual costs, where both sides have an opportunity to present their case; and that the review process itself is fair and workable.

We will propose four other amendments this evening, amendments that we think will clarify the reviewing process itself, will make it more fair both for landlords and tenants, and will account for anything that might be above the six per cent number.

[8:15]

In summary, Mr. Chairman, I want to put to you that if we are accepting, in the province of Ontario, that you have first and foremost a guideline presented, it ought to be a base guideline, and six per cent is a fair and equitable number to use and that is precisely what we have put. It's not jumping in bed with anything else, or complicating the issue with a long unsubstantiated set of numbers, but saying very straight that you want a base guideline and that above that guideline you deal with it in an effective review mechanism, which we are also proposing and certainly support, and that actual cost pass-throughs are certainly acceptable on both sides of the question but that you need an effective review mechanism to make that work.

That's what we support. We will support that continuously throughout this particular debate. Our amendments will be addressed specifically to make that an effective mechanism and the argument now is very straight

and very simple: That your guideline number should be a base number, that it should be a realistic one and should not be inflated. In every other jurisdiction we have looked in, specifically in terms of British Columbia where a rather serious study was done, six per cent is a reasonable base guideline. If you go above that, you run through the review process and that is fair and we accept and support that notion.

But I want to put to the House very clearly that we do not support any jacking around with this particular scheme, any manipulation of numbers, any very complicated thing, because it is a very simple issue. It is a very simple issue of establishing a base guideline of six per cent, which is a fair base guideline, and above that you use the review process as the entire legislation is designed to do. Thank you, Mr. Chairman.

Mr. Deputy Chairman: The hon. member for Perth (Mr. Edighoffer).

Mr. Shore: Where is the member for London Centre (Mr. Peterson), a specialist in housing?

Mr. Breithaupt: He is off doing good works.

Mr. Deputy Chairman: Order. Order, please.

Perhaps before I recognize the hon. member, does the minister wish to respond to the—

Hon. Mr. Handleman: Yes I do, if I may. I listened with some interest to the hon. member both during second reading and again tonight and I heard him refer to other jurisdictions that he has looked at. I don't know of a single jurisdiction that has a six per cent guideline. Perhaps he would enlighten us. He has a chance to speak again on this.

The jurisdictions to the west of us have 10 and nine; the jurisdiction to the east of us has no guideline, it's a completely tenant-initiated programme. The tenant can appeal any increase, as under ours. We have given you figures and the hon. member has confused, again, what we are telling our rent review officers in the bulletins—the five per cent that it refers to is not an inflation factor. It's not an inflation factor. The factor we have given you is 20 for administrative costs, as an inflation factor not a portion of rent. I think he should learn to read figures, Mr. Chairman. But again—

Interjection.

Hon. Mr. Handleman: —the member said that everything in the private and the public sector is six per cent. Well municipal taxes are going up 13.

Ms. Gigantes: Congratulations.

Hon. Mr. Handleman: Maintenance and repairs, 10. And I could go on and on. There isn't a single one that's under 10 per cent.

Mr. Warner: You are responsible.

Mr. Davidson: Your government is doing it.

Hon. Mr. Handleman: Now, the hon. member is suggesting that he has taken six per cent because—

Mr. Martel: Except wages.

Mr. Shore: The member for Scarborough-Ellesmere would do better in public accounts if he kept quiet.

Hon. Mr. Handleman: He has picked out of the anti-inflation guidelines a figure of six per cent, which relates to wages, and he wants to make this programme, which is a cost-through programme, rental according to income. It never has been that. It's not intended to be that and the government will oppose this amendment with every force that we have.

[Applause.]

Mr. Chairman: The hon. member for Perth has the floor.

Interjections.

Mr. Grossman: Think it over, Hughie.

Hon. Mr. Rhodes: In the churches, on the streets, in the schools.

Some hon. members: That's scarey!

Interjections.

Mr. Chairman: The hon. minister has completed his remarks.

Mr. Breithaupt: We had hoped so, Mr. Chairman.

An hon. member: We oppose them.

Mr. Chairman: The hon. member for Perth will continue uninterrupted.

Mr. Edighoffer: Thank you, Mr. Chairman. First of all I have given, I believe, sufficient notice to the Chair, to the minister and to the opposition critic that I wish to place an amendment as well. I wondered if

I could have a little guidance from the Chair whether I should wait and place that after this first amendment has been dealt with, or should I place it as a subamendment?

Mr. Chairman: Is it an amendment or an amendment to the amendment?

Mr. Breithaupt: It is an amendment.

Mrs. Campbell: It is a different amendment.

Interjections.

Mr. Chairman: You may place it now, but if it doesn't have the effect of amending the original amendment, we will have to deal with them individually.

Mr. Breithaupt: Mr. Chairman, if I might speak to that particular item, it would be our view that the amendment which we are placing is to some extent dealing, of course, with the particular, same situation. We would ask the concurrence of the Chair to deal with the first amendment and then to deal with the second amendment, so that we would have the approach that has been used in this House a number of times to otherwise avoid the passage of a section once the first amendment might have been rejected.

Hon. Mr. Handleman: If I might speak on that point, Mr. Chairman, we would agree entirely with the member for Kitchener that that's the procedure we would like to see followed.

Mr. Chairman: Agreed?

Some hon. members: Agreed.

Mr. Chairman: All right. Is there any further discussion on the amendment proposed by the member for Oshawa?

Mr. Edighoffer: I would just like to say very briefly that, of course, we realize what this amendment will do in effect. We in this caucus have decided there is another method that would be much more satisfactory to amending this legislation. Therefore, we in this party would not be able to support the amendment which simply replaces the figure "six" for the figure "eight."

Mr. Chairman: Is there any further discussion on the amendment?

Mr. Lewis: Mr. Chairman, I'd like to use—
(Applause.)

Mr. Breithaupt: They really have to be better trained than that.

Mr. Lewis: That's the problem when there's no cultist tendencies in the party. But I am pleased to rise on the last night of this Parliament to participate in this debate—

Mr. Breithaupt: Don't presume too much. You may be here for a long time yet.

Mr. Lewis: This evening, but not much beyond.

Mr. Breithaupt: Perhaps tomorrow? Or for several other days?

Mr. Bain: That depends on the Premier.

Mr. Lewis: Mr. Chairman, further to the reference at the outset to the letter from the government House leader, which places this debate in a particular context, frankly it appears to us as simply silly.

Mr. Chairman: You must deal specifically with the amendment proposed by the member for Oshawa.

Mr. Lewis: I am doing that; and I'm saying, Mr. Chairman—

Mr. Chairman: I'm listening very carefully.

Mr. Lewis: You always do, sir.

Hon. Mr. Welch: We shared information all through this Parliament.

Mr. Lewis: If you need a rationale it can't be this flimsy, my friend. It's got to be better than that.

Mr. Chairman: That's not at issue.

Interjections.

Mr. Chairman: Order. That's not at issue. We're dealing specifically with the amendment proposed by the member for Oshawa which would change Oshawa, section 1 of Bill 28.

Mr. Lewis: Yes, Mr. Chairman.

Hon. Mr. Davis: Which one are you smiling at?

Mr. Lewis: I think everyone views this whole procedure as government by shenanigans. However, I will address myself to the section.

We have moved the amendment to bring the rate of increase to six per cent as an extension of the position that we have put on behalf of those who are tenants in Ontario, we felt legitimately, for a considerable period of time; while still and always feeling that the position of the developer and owner is protected: (a) by virtue of the six per cent

being fair and (b) by virtue of the review process to which every owner and every tenant is entitled to turn.

What is emerging here during the course of the—

Interjection.

Mr. Lewis: Pardon? The same is true of eight per cent.

Hon. Mr. Davis: You don't understand—

Mr. Chairman: I will recognize the Premier next if he wants to engage in the debate.

Mr. Breithaupt: If he can get the Chairman's eye.

Mr. Lewis: Please, Mr. Chairman. be more deferential towards the Premier. Me, you can abuse.

May I say to the House that what is emerging here tonight, in the debate which is taking place on the motion put by my colleague from Oshawa, is obviously that some of us would wish the six per cent to be instituted immediately—that is, effective on August 1 next, I guess—and some would wish to have it effective 10 weeks after that, on October 14 next. That's essentially what it's about, and this clause speaks to the validity of the six per cent being applied now.

I say to the minister that we have not in any sense been entirely ensnared by the question of the AIB and the guidelines. There may be a rationale for tying it to a figure under which most of Ontario now works and receives wages, which will be in the range of six per cent if you fall in the AIB programme. But there are separate and independent arguments and rationale which we want to put to the House in the strongest possible spirit. The figures which were presented to the Legislature by the Minister of Consumer and Commercial Relations say that the inflation factor for landlords amounts to 8.65 per cent, the net impact on the rent increase is 8.65 per cent.

He says that the total operating costs represent 55 per cent of all costs. The net impact on the rent would be 8.65 per cent and that presumably is why he has chosen eight per cent at this point in time; and in the process he estimates cost attributions related to municipal taxes, maintenance and repairs, administrative costs, fuel costs, electricity and water costs, and he adds them all together and says they represent 55 per cent of total operating costs. Then he introduces a number of inflation factors and comes out at the other end with a figure

of 8.65 per cent as the net impact on rent increases.

We take serious exception to two of his specific designations. For administrative costs, he says that they assume nine per cent now of the proportion of rent and he will apply an inflation factor of 20 per cent. We point out that regularly at his own rent review hearings, the portion of rent allowed by virtue of administrative costs is five per cent. That's all that it's allowed. That's what happens at rent review hearings. Surely you know that. Already you have inflated the original figure almost double, and therefore your inflation factor is completely without foundation.

So this is what we have done. We have cut it in half. We are allowing an inflation factor of 10 per cent because you have doubled the legitimate percentage proportion of administrative costs.

Now the second point: You have put in for fuel costs an inflation factor of some 30 per cent. You have done it on the basis of alleged volume over the winter months. You have done it on the basis of increases in oil and natural gas, which are really quite astronomical for a government which digs its heels in so firmly against increases. For people who say they will allow no increases, the government has computed 20 per cent in for the next year. It can't have it both ways. If Jim Taylor is going to get up in this Legislature, Mr. Chairman, and beat his breast about standing firm against the west and Ottawa, there is a slight inconsistency in assuming a 20 per cent capitulation off the bat. What's wrong with you? What's wrong with you?

Mr. Chairman, that trifle aside, that gap in logic aside, I say with respect to the Minister of Consumer and Commercial Relations that the 30 per cent is ridiculous. Even in terms of a cold winter next year approximating this one—and God knows this one was the coldest in how long? I think 340 recorded years or something—as a matter of fact it pre-dates the Tories, which says something.

Mr. Conway: But only just.

Mr. Breithaupt: They haven't been in power that long surely.

Mr. Lewis: May I say that even including major increases—we are not going to vary it by much—we are suggesting to you an inflation factor of 20 per cent rather than 30 per cent as being far more realistic. That would make slight alterations in the net impact on rent which you have calculated at 8.65.

But let me tell you, Mr. Minister, where we really take issue with you. When you have added up all these designated areas of cost attribution, you say that represents total operating costs approximating 55 per cent. Fifty-five per cent of total operating costs are covered by municipal taxes, maintenance and repairs, administrative costs, fuel costs, electricity and water costs.

Let me read to you from the report on rents done in British Columbia, which you never did, where they examined—

Interjection.

Mr. Lewis: Just a second now. They examined 198 rental projects. Let me read you the finding of the report: "The average apartment building uses 46.2 per cent of its revenue to pay for its operating expenses, inclusive of municipal taxes."

[8:30]

Mr. Shore: Because the rents are higher.

Mr. Lewis: "The remaining 53.8 per cent represents the owner's return and includes the money used to pay off the mortgages." In other words—

Mr. Shore: In other words, the rents are higher.

Mr. Lewis: —in BC it's 46 per cent, but in Ontario you calculate 55 per cent.

Mr. Shore: What about the heating out there?

Mr. Lewis: Just a moment.

Mr. Chairman: Will the member for London North please try to restrain himself.

Mr. Lewis: Mr. Chairman, he was far more effective from this side than he is from that side.

I want to make the other point. If you reject the 46 per cent figure, we then went to the CMHC today and we asked them, how much do you tabulate for operating costs as a percentage of total cost for private or public projects in the province of Ontario? You know what they said? An upper limit of 45 per cent and a lower limit of 42 per cent. How is it that the only study on record shows 46 per cent, and Central Mortgage and Housing Corporation says 42 per cent to 45 per cent, including a whole range of private and public projects in Ontario, and you designate 55 per cent? I'll tell you why; because you're inflating your figures in order to justify an illegitimate level, that's what it's all about.

Let me say through the Chair, respectfully to the minister, that if you take the figures which are acceptable to CMHC and are obviously authenticated by other studies, and you apply them to the figures you've used for proportion of rent to a realistic inflation factor, you know what you come out with? My colleague from Oshawa said it, you come out with a net impact on rent increases of 5.3 per cent or 5.9 per cent, somewhere in that area; in other words the six per cent covering it quite adequately.

That's why, in every sense, on the basis of I think legitimate analysis and legitimate information, we feel it should be six per cent now. I suspect, Mr. Premier, through the Chair, we're not going to receive support for this in the House tonight. The government, when it is defeated, will probably be defeated on a motion which says we should delay the six per cent by 10 weeks. We're not people to cavil, we want to point out to the minister opposite that there is a rationale now in the province of Ontario to go to six per cent, to give the tenants that protection.

May I say, Mr. Minister, that your observation about what the landlords will do are not generously welcomed on this side of the House. The landlords have the right to go to rent review, yes, and believe me if they weren't satisfied with eight per cent now they'd be going. And if they can justify more than six per cent they still have the right to go, no one denies that. You shouldn't be inviting them to turn on the tenants of Ontario if we reduce it to six per cent tonight, and that's what you're doing.

Hon. Mr. Handleman: Come on.

Hon. Mr. Taylor: Shame.

Mr. Lewis: There's no need for that, it's in the legislation.

Mr. Nixon: You're giving them an argument that pre-judges the decision. You certainly are.

Mr. Lewis: That's right, you are pre-judging. As a matter of fact, the member for Brant-Oxford-Norfolk makes a good point, because you're almost signalling to your rent review officers what you want found when cases come before them, and that prejudices the legislation.

Mr. S. Smith: Exactly.

Mr. Nixon: They will be quoting you.

Mr. Lewis: But it was pointed out in an interjection by the leader of the Liberal

Party the other day that you've allowed, in your own legislation, the right to revise downwards the eight per cent. Sure; you've allowed it in this legislation. Why would you do that? Is it the hobgoblin of Sidney Handleman's mind? No. Is it perhaps the strategy of the government? Yes.

Mr. Breithaupt: It's not that small.

Mr. Lewis: What we would like to do is do it for you. As a matter of fact, we'd like to do it in advance of the epic event that is coming rather than have it done at some future occasion. It's fairly straightforward. The six per cent is legitimized now and there's no reason in the world why it shouldn't be sustained now.

For all those reasons, for making rent review work—and we are going to provide some amendments—we would like this House to accept the six per cent at this moment and to conduct the debate in good faith on the basis of the figures before us, as I think we've tried to indicate to you, and based on the information we have. For heaven's sake, it's not a major departure to set a level which can be justified and useful for the tenants of Ontario in allowing avenues of review.

If I may add as an addendum as I sit down, Mr. Chairman, to turn the difference between eight per cent and six per cent into a matter of confidence, frankly, is ludicrous and unworthy of a debate of this importance.

Hon. Mr. Davis: Mr. Chairman—

Mr. Ruston: He's coming out of the bullpen. John Hiller is coming in now.

Hon. Mr. Davis: Listen, Mr. Hiller had not a bad record, if memory serves me correctly. You would know that.

Mr. Ruston: He was in my club.

Hon. Mr. Davis: Mr. Chairman, I am doing my very best not to be provoked—

Mr. Breithaupt: Or provocative.

Hon. Mr. Davis: —or provocative. But out of deference to you—

Mr. Chairman: So am I.

Mr. Nixon: What else is new? He wants you to get a new line.

Hon. Mr. Davis: Mr. Chairman, I don't know what the night will really determine—

Mr. Lewis: Oh, no! Such sweet innocence.

Hon. Mr. Davis: I don't, I don't. I live in hope that sweet reason will prevail, but I somehow doubt it when I look over here.

Mr. Nixon: Support our amendment then.

Hon. Mr. Davis: I've given up in terms of the opposition with respect to sweet reason.

I want to say very simply, Mr. Chairman, that I honestly don't know what the night will hold for all of us. But you, sir, have been—and may still be, depending on what happens—an excellent chairman.

Mr. Reid: That was a bit of a Freudian slip, there.

Hon. Mr. Davis: What do you mean, Freudian? Nothing Freudian about it.

Mr. Lewis: That was as bad as that Camille Laurin.

Mr. Sweeney: It's strictly "Davonian."

Hon. Mr. Davis: No, no. It might be intentional; who knows?

Mr. Chairman: Order, please. We are dealing with Mr. Breaugh's motion.

Hon. Mr. Davis: Yes, we are, Mr. Chairman. I sense that in the Leader of the Opposition's observations, he addressed all of his remarks specifically to that amendment, including his last observations. And I am sure you will allow me the same brief latitude and opportunity to express my own. I was interested in the suggestion by the Leader of the Opposition that certain shenanigans were being performed in this Legislature tonight.

Mr. Deans: Absolutely right.

Hon. Mr. Davis: I would say to the Leader of the Opposition and the NDP House leader that what we're seeing here tonight is opposition by opportunism. It's as simple as that. They know it, and I know it.

Mr. Reid: It's election by opportunism.

Hon. Mr. Davis: They're just using this as a political opportunity—

Mr. Lewis: I am wounded. Call me a socialist, but not an opportunist.

Hon. Mr. Davis: I would have to say to the Leader of the Opposition—we know each other very well—a socialist he is; a political opportunist, on occasion, he is. He knows that, and I know that.

Mr. Reid: Not as much as the Premier is.

Hon. Mr. Davis: Oh, shame, shame.

Mr. Lewis: What a flimsy pretext this is!

Mr. Deans: Any excuse.

Hon. Mr. Davis: Any excuse for what?

Mr. Deans: Any excuse for an election.

Mr. Chairman: Order. I think that it would be an opportune time to come back to the amendment we are dealing specifically with.

Hon. Mr. Davis: I think you are quite right. I mean, when the NDP House leader interjects, "Any excuse," heavens above, he has been trying to pass motions of no confidence since we resumed.

Mr. Deans: That's because I have no confidence in you.

Hon. Mr. Davis: That's fine; then don't say we're looking for an excuse. You're the people who want an election and it's going to be brought about because of you, and you know it.

Interjections.

Hon. Mr. Davis: You've said so; you've said so.

Mr. Reid: You underestimate the intelligence of the people of Ontario.

Hon. Mr. Davis: Listen, your own leader said it in Exeter last night.

Mr. Chairman: Order. I've discussed with the Speaker that there may be some problems tonight—

Mr. Reid: That's why he's not here.

Mr. Chairman: —and it is the prerogative of the chairman of the committee of the whole to suspend proceedings if he finds it necessary.

Mr. Nixon: You did that last night.

Mr. Chairman: I hope it won't be necessary.

We're dealing specifically with Mr. Breaugh's amendment to section 1 of Bill 28, and I'm not going to listen to anything other than direct reference to that amendment.

An hon. member: Why didn't you say that before?

Mr. Lewis: Yes, that was unfair.

Hon. Mr. Davis: Mr. Chairman, I certainly will respect your observations and—

Mr. Nixon: That is a ruling.

Hon. Mr. Davis: —a ruling—and assume that it will apply during the course of the balance of the evening.

Mr. Breithaupt: We fervently hope so.

Hon. Mr. Davis: Mr. Chairman, dealing with the member for Oshawa's proposed amendment, which I gather the Liberal Party of this province is not going to support—and I think they show very excellent judgment that far—that far—

Mr. Worton: That's correct.

Mr. Breithaupt: That's called being damned with fair praise.

Hon. Mr. Davis: Can I point out to the members of this House, Mr. Chairman—and I really don't expect that they will be persuaded—that there are two or three very basic considerations, and the Leader of the Opposition, in his very simplistic way of dealing with figures, ignores of course some of the relevant concerns that any government must have. Those concerns are very simply having a system that works, a system that protects the legitimate concerns of the tenants of this province, understands the needs for further construction and development of rental accommodation, the need to create more job opportunities—

Interjection.

Hon. Mr. Davis: —which, Mr. Chairman, I say with respect, that amendment will totally inhibit and that is the concern of this government. You people—

Interjections.

Mr. Lewis: Nonsense, nonsense.

Hon. Mr. Davis: You people talk about concern for the tenants. You're prejudicing the tenants with this amendment. It's as simple as that, you are.

Interjections.

Hon. Mr. Davis: You know, the legislation was very carefully drafted. It gave the flexibility and does give the flexibility to adjust.

Mr. Shore: Right.

Hon. Mr. Davis: It's something that is important in terms of the longer term interests of the tenants of this province which you people across the House are totally ignoring.

You have no understanding of how the system works. You have no appreciation of what you're doing, potentially, to the tenants of Ontario; and we are not, as a government, going to allow it to happen, it's as simple as that.

And you know, Mr. Chairman, I hope I'm on the subject—

Mr. Reid: You'll never sell that line.

Hon. Mr. Davis: Well, you wait. You wait.

Interjections.

Mr. Reid: You will never sell it. You brought it in only against your will.

Mr. Shore: It sells itself.

Hon. Mr. Davis: Mr. Chairman, another matter that I think is very relevant—you know, it's not just a philosophical consideration, it's a very practical one—

Mr. Sargent: Your main thrust is for capital development.

Mr. Shore: Another socialist.

Hon. Mr. Davis: —the only long-term solution to this total problem is the creation of far more rental accommodation.

Interjections.

An hon. member: We're disappointed in you.

An hon. member: What have you been doing for 34 years?

An hon. member: You're dead right.

Hon. Mr. Davis: That's right, that's right. It's the only solution, and very simply, Mr. Chairman—

Mr. Reid: Who was in power when the shortage was created?

Mr. Breithaupt: What have you done for six years?

Mr. Chairman: Order.

Hon. Mr. Davis: This amendment would totally inhibit, totally inhibit, that potential.

Mr. Chairman, we're all concerned in this House about employment. We're concerned about job opportunities, and I say with respect to the members opposite this will further inhibit employment in the province of Ontario; and don't say to us in one breath, more employment, and then try to pass this kind of amendment.

Interjections.

Mr. Breithaupt: Now you are getting political.

Hon. Mr. Davis: Mr. Chairman, we're taking this debate on this bill seriously. We have stated it is a matter of confidence as far as this government is concerned. I'm disappointed that the members opposite would reduce this kind of debate to this kind of discussion we've had here tonight, because they're completely missing the point.

Some hon. members: Oh, oh.

Mr. Sargent: Sit down.

Hon. Mr. Davis: Well, I would say to the member for Grey-Bruce I'm delighted to hear his observations at some point down the road.

Mr. Sargeant: You are disappointed—with 300,000 people out of work?

Interjections.

Hon. Mr. Davis: Mr. Chairman, I would say to the member for Grey-Bruce there are more people unemployed than any of us can tolerate. I would say to him, when he votes against this amendment, it will be because he knows—he knows—that it is going to make the problem more difficult rather than finding a solution, no question about it.

Interjections.

Mr. Reid: The Treasurer (Mr. McKeough) admired him.

[8:45]

Hon. Mr. Davis: Mr. Chairman, I want to say to the members opposite in conclusion, they may not think this is serious but this government does. We stand by the bill that has been presented after very careful consideration by the minister responsible—we are doing it for the short-term and long-term interests of the tenants of this province. We want to see more accommodation built. We want to see more employment. That is why we are going to vote against that amendment.

Mr. Chairman: The member for Wentworth now has the floor.

Mr. Deans: Thank you very much. I hadn't asked for it before.

Mr. Chairman: You took it, though.

Mr. Deans: Mr. Chairman, the Premier makes reference to the fact that we are dealing with this legislation. I want to deal with this legislation and nothing else. I want first of all to say I would have assumed that the

legislation, having been properly researched, would have presented accurate statistics to the Legislature to deal with the cost inflationary factors.

We have found in our review of what was presented to the Legislature that it is wanting in a number of different areas. We have found in reviewing the legislation and the proposed eight per cent level that the eight per cent reflects not only the legitimate inflation factors but a level of inflation far in excess of that which any reasonable person could expect in the province of Ontario.

Hon. Mr. Norton: You are ignoring the facts.

Mr. Deans: The Premier speaks of the need to have further rental accommodation built. This government under this Premier has been in office now for about seven years. I want to say that if there is a problem in rental construction it can be blamed only on this government of Bill Davis.

Interjections.

Mr. Deans: I want to say further to the House that if the Premier doesn't accept the responsibility during his term of office, then if he wishes he can pass it on to Conservative governments that preceded him. But whatever is wrong in the construction industry in the province of Ontario as it applies to rental accommodation must be faced by this Conservative government because this Conservative government and Conservative governments that preceded it have had ample opportunity to resolve the difficulties.

Hon. Mr. Norton: Give us a chance.

Mr. Breithaupt: Not after 34 years, not another chance.

Mr. Deans: This government, through its Minister of Consumer and Commercial Relations, has suggested to the Legislature that eight per cent is an adequate figure. We have, after very careful consideration and research, determined that eight per cent is completely out of line with those figures used by other agencies for the purposes of computing cost attribution.

Hon. Mr. Norton: Which ones?

Mr. Deans: We have determined that the government has built in inflationary factors that are not realistic in accordance with the system in operation in the province of Ontario today.

Hon. Mr. Norton: Which other agencies are you talking about?

Mr. Deans: We have suggested to the government that if it were to use, as my leader has said and as the member for Oshawa has said, the statistics and the studies that are on record, it would have come to a realization that it couldn't justify more than 45 per cent to 50 per cent as being attributed to municipal taxes, maintenance and repairs, administrative costs, fuel costs and electricity and water costs.

We are suggesting to the government that if it wants to sell its eight per cent then it has to be able to produce not only some kind of pie in the sky view based on an attempt to provide additional revenue for the developer in the province of Ontario and the apartment owner in the province of Ontario, but has to present to the Legislature statistics based on the common usage by most people operating in the apartment industry. That is what the government has not done.

We suggest, for example, the government puts the position that it has to allow a 30 per cent inflation factor in fuel costs because we might have an extremely cold winter in the coming year. I want to tell the House that if the government is going to base fuel costs on last winter, which was by any standard exceptional—

Hon. Mr. Handleman: That is the cost we are talking about.

Mr. Deans: —if the government is going to base it on that for the recovery of costs in 1977 and 1978—

Hon. Mr. Handleman: 1977.

Mr. Deans: —then I suggest that is totally wrong.

Hon. Mr. Handleman: It's 1977 costs, my friend.

Hon. Mr. Meen: You don't understand rent review, how it works.

Mr. Deans: No, that is totally wrong.

Hon. Mr. Handleman: It was this winter. Do you know what year we are in? Let's find out what year we are in before you talk.

Mr. Deans: I know; 1977-78 we are talking about.

Hon. Mr. Rhodes: You think we're working against next year.

Hon. Mr. Handleman: No, we are talking about 1977.

Mr. Chairman: Order, please. The minister will have an opportunity to reply.

Mr. Deans: I also want to suggest to the minister that Central Mortgage and Housing Corporation, which is very much in the field —and the minister knows this—and even Ontario Housing Corporation, which is very much in the field, does not allow 55 per cent for the combination of administrative and operating costs. Ontario Housing Corporation doesn't allow that high a level, and if it doesn't, and this is a government agency of the province of Ontario, how then can that calculation be made for the purposes of the private sector?

Hon. Mr. Norton: Fifty-five per cent of what?

Mr. Deans: I want to suggest, further, that since there is a very clear avenue for landlords to come before the board and to explain and to prove any cost above what is reasonable, we are not depriving one single person of recovering any legitimate costs if we set the level at six per cent.

Hon. Mr. Norton: Oh, yes you are.

Mr. Deans: Not one single person.

Interjection.

Mr. Deans: But because it is both costly and difficult for the average tenant to appeal a two per cent increase because he has to take time off work, because he has to go before the board, because he has to prepare a case against evidence that he is not sure of—

Mr. Grossman: The same as for landlords.

Mr. Deans: —the average tenant is less likely to appeal the two per cent than is the average corporate landlord.

Mr. Grossman: I'm not sure of that.

Mr. Deans: So what you do is you take the lowest legitimate cost and you establish that as your base, in order to protect tenants against loss of wages—

Mr. Grossman: Then you get a lot of appeals.

Mr. Deans: —and to protect tenants against the very difficult time that they have, normally never having to appear before any tribunal of any kind, from the fear of—

Mr. Grossman: And they end up with more appeals and red tape under your amendment.

Mr. Deans: —showing up and not being able to present their case adequately. On the other hand, you say to the landlord, “If you have costs, costs that are legitimate, costs that can be proven, costs that show a rent increase above the level of six per cent, you are perfectly entitled and expected to bring your case before the board and the board should and can approve it.”

Mr. Grossman: And the tenants will have to go to an appeal and prepare his case, taking the day off work.

Mr. Deans: I say to you that any landlord who believes he can get 12 per cent will go before the board regardless of whether the level we establish is eight per cent or six per cent.

Mr. Grossman: Go for four per cent, it sounds better.

Mr. Deans: Any tenant who thinks that eight per cent might be more reasonable is not likely to go for the level of six per cent, but certainly would not go for an appeal for a lower level if the level was set at eight per cent.

Mr. Grossman: Tenants will like that.

Mr. Chairman: Will the member for St. Andrew-St. Patrick stop his mumbling?

Mr. Nixon: Speak up, speak up.

Mr. Deans: I want to tell the Premier that the basis upon which you intend to fight your election is phoney.

Mr. Breithaupt: Mr. Chairman, only with respect to the current amendment that is before us, as you are aware—

Mr. Shore: Where is the housing critic and finance critic?

Mr. Breithaupt: —there are to be placed before the House two amendments dealing particularly with this area and I would like direction from the Chair as to whether in the opinion of the Chair the second amendment should also be put so that, in effect, both matters could be discussed satisfactorily on all sides of the House. If the Chair would agree to that, the member for Perth could put his amendment and speak to it as well and then the general discussion on both of the areas under discussion could proceed.

Mr. Deans: Mr. Chairman, on a point of order—

Mr. Chairman: You asked for direction. It seemed to be a consensus that the committee should deal with them as individual motions and that is what we are doing.

Mr. Deans: Mr. Chairman, if I may, a consensus would surely reflect the view of the majority. We have no objection.

Mr. Chairman: We have only one amendment before the committee at the present time, so there is only one to be discussed.

Mr. Lewis: Mr. Chairman, on a point of order, not only would we support this, we would support it for another reason. We want to divide the House, obviously, on these amendments, on both of them, and, given the time tonight—the other amendments can be stacked; these are central, these are the crucial votes—I think if the House had a sense of both amendments we could debate them in conjunction, since this is taking longer, and no one would be the loser. Then they can be voted on one after the other at some appropriate moment.

Mr. Chairman: It's a reversal of the former consensus that we seemed to have arrived at. We only have one motion. If it is the consensus that we deal with both of them at once, I would suggest that the hon. member for Perth put his amendment.

Mr. Edighoffer: Mr. Chairman, under the circumstances I'll be glad to put it. I thought the original intent was to do it separately.

Mr. Chairman: Mr. Edighoffer moves that subsection 1 of section 5 of the Act, as set out in section 1(1) of the bill, be amended by striking out in the sixth and seventh line “by more than eight per cent”; and by adding after “for residential premises” in the sixth line the words, “by the lesser of eight per cent or the rate of increase for compensation allowed under the basic protection factor and national productivity factor, as outlined in Part 4 of The Anti-Inflation Act Guidelines Canada.”

Mr. Edighoffer: In speaking to the amendment, Mr. Chairman, I'd like to have it on the record that this party takes this Legislature very seriously. I feel that with this amendment we are trying to make minority government work.

Mr. O'Neil: There goes the Premier.

Mr. Good: You don't want it to work.

Interjections.

Mr. Edighoffer: When discussing this legislation previously, I presented a number of reasons concerning this amendment. But I'd like, briefly, to make just a few more comments in support of this amendment.

I'd like first of all to remind the government that when this legislation was introduced into the Legislature in 1975, the then Minister of Housing, who had responsibility for this legislation, stated, and it's very brief: "It should also be viewed in the context of the federal government's anti-inflation measures, which it is designed to complement."

Hon. Mr. Norton: Understand the relationship; it is not one to one.

An hon. member: That's in your own words.

An hon. member: Then the flip flop.

Mr. Edighoffer: And of course during the Throne Speech, similar comments were made to the effect that this legislation should be tied to the anti-inflation guidelines.

Mr. Shore: How does the finance critic feel about this?

Mr. Nixon: You were over here then Marvin, don't worry.

Mr. Edighoffer: It has been said in this debate that if wages are geared to guidelines, accommodation rates should be geared to guidelines. However, the system allows landlords and tenants an appeal to include pass-through costs. I'd also like to remind the members of the House that during the second reading the first speaker for the New Democratic Party, the member for Oshawa, concluded his remarks by saying, "We think, too, that the maximum rent increase permitted without appeal to the rent review process should be reduced from eight to six per cent to make it consistent with the anti-inflation board programme."

Mr. Nixon: That's why they are voting for our amendment.

Mr. Edighoffer: Mr. Chairman, this Legislature signed an agreement with the Anti-Inflation Board to apply the national guidelines to the provincial public sector, and the province agreed that the national guidelines would also apply to a great number of bodies in the province, bodies which provide what are generally considered to be public services. I would certainly urge, and ask, all members of the Legislature to support this amendment which I feel is the proper way

to extend the legislation for rent review until December 31, 1978.

[9:00]

Hon. Mr. Handleman: Mr. Chairman, certainly I have no wish either to engage in political debate with any of the speakers who have spoken. I just want to respond to the Leader of the Opposition briefly.

Mr. Breithaupt: It's surely the best place for politics.

Hon. Mr. Handleman: Yes, we're aware of the BC study. It may come as a surprise to him that Karl Jaffray writes to us once in a while and tells us what's going on. As a result of that study the former BC government adopted a guideline of 10.6 per cent for the first year. The succeeding government accepted that guideline, 10.6 per cent, for the second year. Now, in the third year of rent review in British Columbia—

Mr. Lewis: It's down to seven per cent.

Hon. Mr. Handleman: —they've gone to seven per cent, on the basis of the fact that the vacancy rate everywhere except in greater Vancouver is well above five per cent. There's no reason for them to stick to anything less.

Mr. Wildman: We discussed vacancy rates.

Hon. Mr. Handleman: It's the only guideline under 10 per cent in the western provinces.

I might also mention that, yes, we're aware of the CMHC guideline which they use in determining rent increases for limited-dividend housing. The average rent increase for limited-dividend housing in the face of the CMHC figures has been roughly 15 per cent, which in our rent review process has generally been reduced to an average of about 12 per cent.

So we're reducing rents following the formula mentioned by the Leader of the Opposition. I want him to know that our figures—and I don't know what the BC figures were based on; I don't know what CMHC's figures are based on but we've done 125,000 detailed reviews of rental figures in this province before our rent review boards and I think that our figures, based on that kind of a study, are somewhat reliable.

Without speaking in great detail to the amendment put forward by the member for Perth, I might ask him before we get into discussion of it if he might just make a slight technical correction. I heard from the member for London Centre yesterday about the great

research they have, I wonder if he would name the Act properly in his amendment. Give us the real Act so that if this amendment should carry, at least it will be technically correct. Legally, the title of the document he's referring to is the Anti-Inflation Guidelines. I wonder if he might make that change so we can discuss the amendment with some meaning.

Mr. Kerrio: We can still discuss it.

Mr. Breithaupt: Anything to oblige.

Mr. Deputy Chairman: The hon. member for Oshawa.

Mr. Breaugh: Mr. Chairman, since you have made the ruling that we can deal with this issue at once, I'd like to move an amendment to Mr. Edighoffer's amendment.

I move that the amendment be amended by adding thereto the following phrase; "understanding that the specified rate of increase on October 14, 1977 will be six per cent."

Mr. Good: Oh, you're trying to do what you couldn't do in your original motion.

Mr. Deputy Chairman: Could I have a copy of the amendment?

Mr. Breaugh: Yes.

Mr. Deputy Chairman: Thank you.

Mr. Breaugh: If I could just speak very briefly to that?

Mr. Nixon: Point of order. Perhaps he could read the amendment to the amendment, Mr. Chairman.

Mr. Deputy Chairman: Would you allow the Chair to read the amendment to the amendment?

Hon. Mr. Handleman: How about delivering copies?

Mr. Breaugh: Right there. You should not be the one to argue about who—

Mr. Deputy Chairman: Order, please.

Mr. Breaugh moves that Mr. Edighoffer's amendment be amended by adding thereto the following phrase, "understanding that the specified rate of increase at October 14, 1977 will be six per cent."

Mr. Breithaupt: Mr. Chairman, with respect to that subamendment, might I suggest that—

Mr. Nixon: Point of order.

Mr. Breithaupt: Might I suggest that the matter, on a point of order, is already before the House in the original amendment which has been put by the official opposition.

Mr. MacDonald: No, it is not.

Mr. Nixon: Let's let the Chairman decide.

Mr. Breithaupt: As a result, I would presume, only from my hearing of the amendment—I have not seen it as yet—that the Chair should seriously consider whether the matter is already before the House.

Mr. Nixon: Of course it is.

Mr. Lewis: On a point of order, Mr. Chairman. The first motion of six per cent which is embodied in the amendment clearly takes place on August 1. This subamendment to the Liberal amendment clearly applies to October 14, 1977. They are quite different, therefore, in nature. One speaks of an event 10 weeks later.

Mr. Deputy Chairman: The Chair would rule that Mr. Breaugh's amendment to the amendment is in order.

Mr. Breaugh: Mr. Chairman, very briefly, it was very clear in the Liberal Party's initial statements on the principle of the bill that that's what they intended. It's been further reinforced that that's the way they want to go. We are very simply saying let us be extremely clear about what's there. I would express great reservations that should the unforeseen happen and an election be called and we are faced with a different form of a government, that we should be extremely clear in this legislation this evening exactly what we mean. The subamendment is before the House very simply to be explicit about what you mean, not to confuse it with anything else that might be prevalent in the motion. I understand the intent of the motion is very specifically this, it would accomplish the same thing, I am simply asking the members of the House to be specific about the exact number and when it takes effect. I think that is a fair thing to do. I think the amendment that Mr. Edighoffer proposed intends to do that. There isn't any great disagreement on that and I would ask their support in this subamendment.

Mr. Deputy Chairman: The hon. member for Hamilton West.

Mr. S. Smith: I shall be brief in my remarks. The economy of this country and this province is clearly in trouble. People are suffering. We in the Liberal Party believe that the Anti-Inflation Board was and

is a reasonable way to attempt to cope with the ravages of inflation, even though we recognize that in limiting the wages of working people, hardship has been created. We believe that when you limit the wages of working people you limit their rent increases at exactly the same level.

The Premier apparently wants an election. He can and is entitled to use any excuse he chooses to call an election. He has that right. He can even use the excuse, as he mentioned the other day, that I criticize him from time to time.

Mr. Breithaupt: He doesn't like that.

Hon. Mr. Davis: On a point of order—

Interjections.

Mr. Deputy Chairman: That is not a point of order.

Interjections.

Mr. S. Smith: He thinks that he will get a majority, and he certainly wants a majority. He'll use whatever excuse he can to call the election.

Interjections.

Mr. Deputy Chairman: Order, please. Perhaps the hon. member would return to the debate on the amendment.

Mr. S. Smith: The Premier says in simple words, regarding the cost of shelter, that in the province of Ontario he cannot give tenants protection to counter the level at which their wages are being controlled by the Anti-Inflation Board. We say very simply that we can give that protection and that we must give that protection.

Mr. Deputy Chairman: Order, please. The hon. minister.

Hon. Mr. Handleman: Mr. Chairman, I'd like to speak to the amendment. I ask the member for Perth if he would please check the technicality, because in the event this amendment should carry—and there appears to be some indication from our friends over on the NDP benches that it might—I would hope that at least it would be an amendment that could be administered. That's all; we're not asking for too much.

Mr. Nixon: The whole thing was a mess to begin with.

Mr. Breithaupt: You'd be the last person we'd want to administer it.

Interjections.

Hon. Mr. Handleman: I would ask, Mr. Chairman, that in the heat of the debate here tonight we not pass gibberish.

Mr. Reid: You should join the colleague next to you.

Mr. Conway: I thought you said you would resign if rent control was continued.

Hon. Mr. Handleman: Let's please make it clear; let's use the proper names so that when it goes to the courts, if it does, the courts would be able to relate to sound law. We are not asking too much. I would hope that the member for Perth is out checking this and will make that correction. It isn't too much to make.

Interjection.

Mr. Deputy Chairman: Order, please.

Hon. Mr. Handleman: I wonder if I could speak to the substance of the amendment. I hope that the member for Perth, when he comes in after checking with Ottawa or wherever he gets his advice, will make that change.

Mr. Conway: I thought you were quitting.

Mr. Reid: In your case there is no person to phone in Ottawa.

Interjections.

Mr. Deputy Chairman: Order, please.

Hon. Mr. Handleman: We received some preliminary notice of the amendment a few days ago. It has since been changed, but we did receive notice in accordance with the two-hour rule that we all agreed to, and we've had some legal research done on it. The amendment relates to a section of the Anti-Inflation Guidelines called Part IV of the Anti-Inflation Guidelines. We have taken that and we have studied it. It indicates that if the Liberal amendment carries, whether or not the subamendment is attached to it, we're talking in terms of a three-component factor. Those components are spelled out very clearly. As we all know, there is a basic protection factor in the guidelines. Everybody knows what that is.

Mr. Nixon: Four per cent.

Hon. Mr. Handleman: There's a national productivity factor, and that's a flat two per cent based on historic facts—and those are known.

Mr. Nixon: Two per cent. That's up to six.

Hon. Mr. Handleman: The one that is not known is the third factor. It is determined by Statistics Canada on the basis of information given to them. It will not be known until November 15. We have an amendment which takes effect on October 14 which will incorporate a factor which is not known until November 15.

Hon. Mr. Norton: You have to give three months' notice.

Hon. Mr. Handleman: Under the rest of our Act, which I think everybody in this House knows, landlords must give to a tenant 90 days' notice of a rent increase, 60 days' notice to a rent review officer of his intention to apply for rent review. How on earth can that work when you don't know your figure until November 15, a month after it takes effect?

I simply ask the members of this House, when they're voting on this amendment, to recognize what they're doing. They're putting gibberish into the law.

Hon. Mr. Davis: He's right.

Interjections.

Mr. Lewis: Mr. Chairman, with respect to the Premier's interjection that the Minister of Consumer and Commercial Relations is right, with great respect, he's not. There is a factor which must be calculated, which is precisely why those of us of the New Democratic Party affixed a subamendment to the proposition that it should be understood to be at six per cent. We know that if the factor shows some marginal alteration, it is still worthy of support because it will come in under eight per cent and, therefore, will be beneficial to the tenants.

I want to point out to you that the inflation factor which is to be computed as your third component was, from October 1975 to 1976, 6.2 per cent; November 1975 to 1976, 5.6 per cent; December 1975 to 1976, 5.8 per cent. In other words, it is coming in now on the basis of a figure approximating six per cent—it might come in slightly below, it might come in slightly above. That's why we have placed the six per cent. That's why we hope the Liberals will seriously consider supporting our subamendment because it will be absolutely clear.

I want to tell you, Mr. Chairman, nobody in this party likes to tie anything to the disreputable and shabby nature of so much of the Anti-Inflation Board's guidelines. I

want you to know that. It bothers us to have that relationship, so we're looking at what it means.

Mr. Nixon: That sounds like Joe Morris talking.

Mr. Lewis: And what it means, Mr. Chairman, is a level of rent for the tenants of Ontario of something in the vicinity of six per cent. By our subamendment it would clearly be six per cent and that's what we put to the minister. It's completely uncomplicated.

Mr. Deans: And it's simple to appeal.

Mr. Lewis: There's nothing difficult about it. It's entirely supportable and that's why it should be supported, because—

An hon. member: Back in 1975 you supported the government.

Mr. Lewis: —it can be independently authenticated as well as tied. It's as simple as that.

Hon. Mr. Norton: And it's deceptively simplistic.

Mr. MacDonald: It's not gibberish, it's precise.

Interjections.

Mrs. Campbell: In rising to speak to our amendment, I would just like to say that I find it sad that we are called upon to debate a very important piece of legislation in the kind of spirit which is prevailing, due, Mr. Chairman, to the administrative incompetency of this government.

Hon. Mr. Davis: That's provocative.

Interjections.

Mr. Sweeney: It was intended to be.

Mr. Deputy Chairman: Order, please. The hon. member will continue without interruption.

[9:15]

Mrs. Campbell: Mr. Chairman, as you are aware, the government has, in fact, tied this bill in its extension, and indeed in its initial introduction, to the AIB which this government has supported. To me, it is improper that we should not tie this increase to the AIB guidelines for the reasons given by my leader. The people in this province, and certainly in the major cities, have been suffering as it is. One of the reasons I am prepared to support our amendment, rather than that of

the NDP, is simply on a matter of very stark reality for the tenants, and certainly those in the city of Toronto. Many of those tenants have had increases of eight per cent for whatever reason the landlord has in not wishing to proceed to the rent review board.

Mr. Nixon: The minister asked them not to.

Mrs. Campbell: Whether the minister asked them or not, they had their reasons; they may not have wanted to go through the problems of disclosing all their figures. I don't care what the reason is; it is a fact that many have not proceeded and have stayed within the eight per cent. For this reason, I believe that the tenants in this stage of the legislation are better protected because it has been my experience that there have been increases of more than eight per cent, some of them I believe improper—but that is a matter for the courts. I have witnessed some increases, and I believe that the tenants by and large are protected by the eight per cent at this point in time.

I believe that until the guidelines are changed and the effective change is made, landlords are in a very good position to argue the fact that the cost of labour is going to be at a higher rate than their permitted increases. However, to me, that changes significantly when the guideline effect changes; and I would believe that at that point in time the landlords in all likelihood would not pressure for the review. They may, but at least I feel, having talked extensively with tenants in my riding, that they are prepared to accept the eight per cent at this point rather than risk going through to rent review at this time.

I may say that I was questioned very closely by tenants last evening as to our position and why I wasn't adopting the simple solution put forward by the NDP. I made that explanation and they believed, in the final analysis, that we are right. Therefore, Mr. Chairman, I believe we have to always bear in mind not only what seems to me on occasion to be political expediency but the practicality of the situation. After all, the people we are concerned about in this bill, as I see it, are the tenants.

Mr. Shore: Right on.

Interjection.

Mr. Reid: Changing parties again, Marv?

Mrs. Campbell: I am pleased to be here debating the extension of this legislation because there is no doubt in the minds of the

people I represent that my bill, brought in some 18 months before the government saw fit to effect it—

Mr. Nixon: It was the cornerstone.

Mrs. Campbell: —was a cornerstone for this legislation.

Mr. Nixon: It was a better bill than yours. Margaret Campbell was the mother of rent review.

Mrs. Campbell: I believe it is because of that that they are accepting our amendment so strongly.

Mr. Deputy Chairman: The hon. member for Muskoka.

Mr. Nixon: He must be in trouble up there. Looking for another promotion.

Hon. F. S. Miller: I may be in trouble up there, but you haven't even got a candidate up there, Mr. Chairman, I don't enter into debates around here too often—

Mr. Nixon: Why don't you go out and close a few hospitals?

Mr. Deputy Chairman: Order, please.

Hon. Mr. Davis: You guys wish your seats were as safe.

Hon. F. S. Miller: I don't enter into debates around here too often, but I've been sitting here—

Mr. Nixon: You ought to know, you've got a front row seat.

Hon. F. S. Miller: That's because I basically want to add to the quality of the debate, and silence sometimes is the best way to do so.

Interjections.

Hon. F. S. Miller: I've been sitting here listening to figures coming out of the NDP in a steady stream.

Mr. Nixon: Now we're going to get philosophy.

Hon. F. S. Miller: I've been listening to gobbledygook coming out of the Liberals in a steady stream, and I'm reminded of the old saw that figures don't lie but liars figure.

Mr. Ruston: You did a lot of lying and figuring on the hospitals.

Mr. Deputy Chairman: Order, please.

Mr. Nixon: How about doing a regression analysis on that?

Mr. Reid: Like your figures on the hospitals?

Hon. F. S. Miller: There's one thing about the NDP amendment tonight: I can understand it. I can't understand the Liberal amendments; I suspect very few other people in the province could.

Mr. Ruston: That's why they took you out of the Health ministry.

Mr. Deputy Chairman: Order, please. The hon. member for Muskoka is speaking.

Hon. F. S. Miller: It's easy to appear to be on the tenants' side by going for a lower figure. It's easy to say that six per cent protects the tenants' interest and, therefore, "We're on their side"—

Mr. Reid: Did you ever hear the Treasurer talk about the AIB?

Hon. F. S. Miller:—"and the dirty old PCs are on the other side," the landlords' side, by asking for eight per cent; but that's not true. I am tired—

Mr. Ruston: So is your government.

Hon. F. S. Miller:—I am tired of the NDP always pretending to be on the side of the average guy when in fact this party has been for many years. This is the party that's caused the wealth in this province, that's given us 34 years of solid, sound, good government and economic progress.

Mr. Bain: The workers in this province did it, not the Tories.

Mr. Deputy Chairman: Order.

Hon. F. S. Miller: It's not just geography, it's the fact that we have created the stability that caused people to be willing to invest here and therefore gave this—

Mr. Reid: What about the unemployment figures?

Mr. Breithaupt: You haven't created any housing.

Mr. Nixon: That stability is a great phrase. Pearson really parlayed that into something. You should grab hold of that one.

An hon. member: They don't like it because they know it's true.

Mr. Deputy Chairman: Order, please.

Hon. F. S. Miller: This government is willing to make tough decisions, and eight per cent right now—

Mr. Reid: This isn't your style, Frank; sit down.

Mr. Deputy Chairman: Order, please. Will the hon. member for Rainy River desist from the interjections.

Mr. Nixon: Looks like the leadership campaign has started.

Mr. Deputy Chairman: Order, please.

Hon. F. S. Miller: Eight per cent is in the interests of the tenants because it will cut out thousands of appeals, it will stimulate more rental housing, it will cause competition in the marketplace and in the long run it will re-elect us.

Mr. Nixon: What was that all about?

Mr. Reid: What was that all about?

Mr. Deputy Chairman: Order, please. The hon. member for Kitchener-Waterloo has the floor.

Mr. Sweeney: Mr. Chairman, given that this is An Act to amend the Residential Premises Rent Review Act, perhaps we could, just for a minute, refer back to the original Act.

Hon. Mr. Handleman: Oh, Mr. Chairman.

Hon. Mr. Davis: Oh, that's out of order.

Mr. Sweeney: It was very clear, very clear—

Mr. Deputy Chairman: Order, please. You will have to speak to the amendment.

Mr. Sweeney: It was very clear that when we all spoke to that Act, we indicated that we wanted to bring down—

Mr. Deputy Chairman: Order, please. The hon. member has a point of order.

Hon. Mr. Handleman: On a point of order, Mr. Chairman, it seems to me that we have spoken at great length and we've gone around the Act a great deal, but I think we should be really speaking to the amendment and the NDP subamendment and nothing else.

Mr. Nixon: You said it was a mess.

Mr. Cunningham: What was that over there?

Mr. Deputy Chairman: Order please; order. The Chair agrees that we should be directing

comment to the subamendment. I thought perhaps the preamble was going to lead into it, but would he kindly direct his remarks to that immediately?

Mr. Sweeney: It is fully my intention to do so. The entire thrust of the original amendment and this amendment is to create in this province a social contract between landlords and tenants. We said then, and I wish to repeat today, that a social contract can only work if both sides—both sides, Mr. Chairman—feel that they are being treated with some fairness, with some justice.

Just as we said then, we have to say again today, that can only be done if both sides understand the source of the other's request; the tenants understanding the source of the landlord's request, the landlord understanding the source of the tenants' reaction to that request. That's the social contract.

Hon. Mr. Norton: You don't understand the original Act.

Mr. Sweeney: May I cite two recent examples of that very principle and as they apply to this amendment to this bill. Within the last three months—

Mr. Deputy Chairman: Order, please. Would you direct your comments to this specific amendment?

Mr. Sweeney: I am, Mr. Chairman. Within the last three months, there was a request from a landlord in my riding for a 65 per cent rental increase. The problem was that the land transfer tax got him caught in mortgage arrangements. That went through all the various machinations that are available in this province now. It was substantially reduced, as you might well expect, because the tenants had something to stand on. They were able to stand up and challenge a landlord who was clearly out of line in making his request.

Hon. B. Stephenson: But it won't happen with your amendment.

Hon. Mr. Davis: With your amendment they won't have anything.

An hon. member: You're standing in quicksand with yours.

Mr. Sweeney: The second example was a lady who phoned me just a few days ago and indicated that her landlord was asking for a 33 per cent increase—

Mr. Deputy Chairman: Order, please. Would the hon. member specifically direct his comments to the amendment? Would he con-

tinue his debate, but speak directly to the amendment to the amendment?

Mr. Sweeney: I am, Mr. Chairman. I am speaking directly to it.

Mr. Hodgson: No, you're not, you haven't even mentioned it.

Mr. Sweeney: That 33 per cent increase turned out to be an increase from \$75 to \$100 for a two-bedroom apartment in good condition. The lady clearly recognized, after discussing it with us, that the request was not out of line.

The point I am trying to make is that you can throw around figures any way you want. Earlier today, the minister handed us a piece of paper with some figures on it. Those figures have been disputed. Just a few minutes ago the Leader of the Opposition reacted to those figures. He said, for example—and this is in the record—that the administrative cost should have an inflation factor of 10 instead of 20. All right. For the sake of discussion, let's accept that. He also said that for the fuel cost the inflation factor should be 20 instead of 30. He then went on to say that if we accept that, then we come up with a figure which I believe was 5.2 or 5.8 or 5.9 per cent, but they settled for 6.

Mr. Lewis: Right.

Mr. Sweeney: Mr. Chairman, using the Leader of the Opposition's own figures, we would change the third column, under administration, from 1.8 to 1.9; we would change the third column, under fuel cost, from 2.1 to 1.4. If you add them up, you come to 7.05—you don't come to 5.2 or 5.8. I'm just trying to make one clear point. The members on that side are picking figures right out of the air to support their position; the members here are picking figures out of the air to support their position.

Interjections.

[9:30]

Mr. Sweeney: This party is standing four-square and very—

Mr. Shore: You just killed the argument right there.

Mr. Sweeney:—clearly on figures that can be documented, figures that will be specified and figures that are tied in directly with a man's income; and it's a man's income by which he pays his rent. Whatever that income is going to be, that is what his rent should be—not figures that you pick out of

the air, not figures that you pick out of the air.

Mr. Grossman: Mr. Chairman, I want to address some remarks—

Mr. Conway: Here's the next chairman of the liquor board.

Mr. Grossman: —to the two per cent solution as attempted by the opposition in order to bail themselves out of a difficult situation.

Mr. Bullbrook: Stand up.

Mr. Grossman: What they're trying to do across the floor with this amendment, Mr. Chairman—

Mr. Lewis: That is actually not bad—not bad—not bad at all.

Mr. Grossman: What they're trying to do is identify another group that they can play to—

Mr. Bain: At least we are not playing to Bay Street.

Mr. Grossman: —by offering them some money back, offering to underbid the government.

Mr. Deans: That is not true.

Mr. Grossman: What do they do? Firstly, they stand up and attempt to criticize the use of figures by the minister responsible, and they argue and argue that their interpretation of the figures should work as though there were some magic to these AIB figures.

Mr. Sweeney: That is where the money comes from.

Mr. Nixon: The Treasurer thinks they are good.

Mr. Grossman: In point of fact, the proof of the eight per cent figure is in the number of cases that ended up before the rent review board. How many landlords could live with the eight per cent and how many tenants could live with whatever rents they were charged under there? The point of the situation and the fact of the situation is that it worked fairly well. A lot of landlords decided that they would live with eight per cent or less. A lot of them did. Those that did not found, as the member for Wentworth has said, that they often got 12 per cent.

Mr. Deans: That's right.

Mr. Grossman: But the fact is that, after the first six or eight months of the programme, things had settled down pretty well,

so that the numbers of cases that were before the rent review officers had substantially decreased. It was evidence that the system was adjusting well to eight per cent. Everyone by that stage had lived comfortably with eight per cent.

Mr. Sweeney: And keep their wages at eight per cent too.

Hon. Mr. Handleman: They went up by 9.8 per cent last year.

Mr. Grossman: What's occurring now is an attempt to go to the old two per cent solution: "Let's see if we can underbid the government." What I find interesting are the attempts this evening, especially of the official opposition, to attempt to tie the six per cent figure to the AIB guidelines.

Mr. Deans: No, no.

Mr. Grossman: What's interesting is that it's the same six per cent figure they were using immediately after the September 1975 election. You remember that one.

Mr. Lewis: That's right.

Mr. Grossman: It was six per cent then; now they're still at six per cent and groping in the last little while to juggle the figures used by the Minister of Consumer and Commercial Relations to justify the same six per cent figure they used a year and a half ago.

Mr. Deans: His figures are wrong.

Mr. Grossman: It's about time someone started to treat the tenants of this province with a little bit of respect and acknowledge that they ought not to be used and bargained away for election purposes.

Mr. Breithaupt: Then our amendment will carry.

Mr. S. Smith: Why did you need the paragraph letting you lower it at any time?

Mr. Grossman: I happen to represent a riding that has almost 50 per cent of its citizens living as tenants in apartments, rooming houses or duplexes.

An hon. member: And they are being poorly represented.

Mr. S. Smith: They won't vote for you next time.

Mr. Nixon: The other half are in Doctors Hospital.

Mr. Grossman: It would be very comfortable for me to play the game that's so easy for the opposition—

Mr. Wildman: You have been doing that for years.

Mr. Grossman: —which is to underbid the latest offer, to bribe them with their own money, and pretend that I can go to them and offer them a better deal than the NDP and the Liberals. Mr. Chairman, I'm prepared—

Mr. S. Smith: To close hospitals to save money.

Mr. Grossman: —to treat tenants as mature enough not to be bribed by a two per cent solution—

Mr. Lewis: Oh, come on. Don't be condescending. Don't be patronizing.

Mr. Grossman: —not to be influenced by the short-term remedy that's politically expedient but not in their long-term interests.

Mr. Lewis: Oh come on. Not in their long-term interests.

Mr. Grossman: A word about the Anti-Inflation Board. It is a very neat attempt by the Liberal Party to attempt to suggest that this should be tied in to the AIB figures on wages plus productivity and so on.

Mr. Nixon: We are not attempting to suggest anything.

Mr. S. Smith: We are doing it.

Mr. Grossman: But the rent review programme was not instituted by the federal Anti-Inflation Board across the country for the very good reason that they understood that situations differed from province to province in this particular area. For example, when the member opposite—I think it was the member for Wentworth—wanted to use the figures from BC—maybe it was the Leader of the Opposition—the Anti-Inflation Board in Ottawa was sensible enough to understand that it is just conceivable that energy costs in BC may not be quite the same as energy costs in Ontario or Newfoundland.

Mr. Deans: You have a fixation with BC.

Mr. Sargent: They aren't \$11 billion in debt either.

Mr. Grossman: Therefore, they said: "Provinces, we think that it is appropriate that you develop rent review programmes on your

own to complement an anti-inflation programme throughout the country."

Mr. Kerrio: Your Minister of Housing said that.

Mr. Grossman: Had it been realistic to tie it into any of these magic figures surely your friends in Ottawa would have said that. But they were mature enough—and, I suppose, not needing to bargain for tenants' votes—not to jump to that approach.

Mr. S. Smith: Not a federal jurisdiction, and you know it.

Mr. Grossman: What we did in Ontario was the sensible solution. What happened here was not a tie-in to any magic figures, but very simply an understanding that the basis of having an alive economy protecting everyone was to permit a pass-through of costs. If you don't permit a legitimate pass-through of costs then you are not going to have one twit of relief for tenants two years from today, when we are back here debating—and I'll be back here debating—the renewal of a rent review programme.

Mr. S. Smith: And your son after you.

Mr. Grossman: The member for Wentworth stands up and complains and complains—

Mr. Conway: Stand up Larry. Stand up.

Mr. Grossman: —sweating heavily for appropriate reasons, that at the rent review hearing, by common acknowledgement, the figure has turned out to be 12 per cent. So what is he going to do? He is going to forget about all those landlords who said, "Look, I didn't go to rent review because it just wasn't worth it. Maybe I'll move from eight to 10. Maybe I'll get less. Sure I have some tenants coming off two and three year leases, but I think I'll make do with eight per cent."

Mr. Chairman, the major developers in the city of Toronto by and large adopted that approach. They did not take their tenants through the hearings. But if you knock it down to six per cent you are going to force all those landlords to go to the rent review hearings.

Mr. Shore: You know it.

Mr. Grossman: And then what is going to happen? Exactly what the member for Wentworth says is happening. That the proof is in the pudding—that 12 per cent is needed by a lot of people that are going through to the board.

Mr. Deans: No, no.

Mr. Grossman: That is the average. How many of them are going to end up getting 15 and 16 and 20 per cent? I can tell you a lot of them in my riding are going to the rent review board asking for eight and getting two. So there are a lot of people who, rather than being saved from going to the rent review board, are going to be forced to the rent review board. Instead of paying eight per cent more, they are going to be ending up with 12 per cent more.

Mr. Warner: Name them.

Mr. Deans: Minimum two per cent.

Mr. Grossman: And then we will be treated to the member for Ottawa Centre (Mr. Cassidy)—who is probably out chasing down the Conservative candidate's signs in the riding tonight—coming back here and saying—

Mr. Lewis: He will be back. You are quite right.

Mr. Grossman: If he is back it will hardly be a treat. I used the wrong word. He will be back here and he will be rising and saying, "Do you know what the backlog is? Do you know what the delay is? Do you know what the cost of the administration of that programme is?"

Interjections.

Mr. Grossman: "You are forcing all these cases in there." We'll then permit him to stand on his hind legs in this assembly and say, "The whole procedure is too complex, there is an enormous backlog. You are spending public moneys. What you have to do is have six per cent, no appeals." And boy, if we are still here then won't that be even more attractive? That's even a lower bid to the tenants than you are making tonight.

Interjection.

Mr. Grossman: It'll be great stuff.

Mr. Kerrio: Now I know that you are going to stay in those back benches.

Mr. Grossman: But I'll tell you what it won't be. It won't be fair to the tenants.

Interjection.

Mr. Grossman: It just won't be fair to the tenants.

Interjection.

Mr. Grossman: Mr. Chairman, I'll face my voters if the time comes and—

Mr. Kerrio: Wise choice.

Mr. Grossman: —treat them as mature. I won't try to bribe them, I'll explain to them that there is a pass-through of costs. I'll explain to them that our programme is and was responsible—that we didn't treat them as children. We didn't go out passing out two per cent solutions.

Mr. S. Smith: That you lost, fair and square.

Mr. Grossman: And, Mr. Chairman, when we are back here—

An hon. member: If.

Mr. Grossman: —we will be able in a few years to rise in this House and announce that a programme won't be needed because the vacancy rate will have risen, which would be totally and—

Mr. Kerrio: That government will have to believe in tenants by then.

Mr. Grossman: —completely impossible if the opposition were ever in control of this House.

An hon. member: No, no; never.

Mr. Grossman: Except for the possibility that if they did form the government enough people would leave this province to create enough vacancies.

Interjections.

Mr. Chairman: Order, please. Before I recognize—

Interjection.

Mr. Chairman: Order! Before I recognize the member for Riverdale, I would like to announce that seated in the Speaker's gallery is a very distinguished guest and parliamentarian, the hon. Dr. Wahid Ali, who is president of the Senate of Trinidad and Tobago.

[Applause]

Mr. Renwick: Mr. Chairman—

Mr. Conway: Give us poetry.

Mr. Renwick: —I would like to try to deal with a couple of matters that have been raised on the assumption that the "Dear Ian" and the "Dear Jim" letters from Bob had not been written. There is something quite unrealistic about what is happening in

the Legislature tonight and I think we ought to now direct our attention away from whether or not there is going to be an election, which will be decided by the Premier and not by us, and to talk about whether or not the bill that we are going to pass and which will be law and which, regardless of electoral consequences or whether there is or is not an election, must be in place before May 1 in order to provide some sense of stability in this whole question of the rent review programme.

I want to address myself to the principle, as I see it, of what we are talking about. I want also to then try to address myself to the comment made by the minister when he used the term "gibberish", if we go to our understanding of what the motion moved by the member for Perth is about. I would like to also address myself very briefly to what the member for Kitchener-Wilmot said, so far as I could understand the drift of his remarks when he was speaking.

As I understand it, the limits are quite narrow actually. It does make it a little bit ridiculous to think that we are talking in terms of confidence or no confidence in the government. The government's position is eight per cent, or such lesser amount as may be determined by the Lieutenant Governor in Council. Our position on our amendment was six per cent or such lesser amount as could be determined by the Lieutenant Governor in Council. We are talking about a spread of two points.

We are all in agreement that a landlord or a tenant has recourse above the amount and the landlord and the tenant have protection on both sides under the review process. We all agree that after the trauma of starting up a review process, trying to iron out the bugs—there are still bugs in it and some of our amendments are addressed toward making it even more realistic and workable—we are all agreed that that is not the matter which is before us. We're talking this very narrow limit of somewhere, and if I can leave aside the Lieutenant Governor in Council reducing the amount, we're talking about eight per cent and six per cent.

[9:45]

The Liberal amendment agrees that it can't be higher than eight per cent, because their amendment specifically says, "by the lesser of eight per cent or the rate of increase," using the language which is in the Liberal amendment. So the Liberal Party and the Conservative Party are in agreement that the upper limit will be eight per cent. We think

it should be six, so that significantly distinguishes us from the Liberal Party, unless of course they feel there's some merit, after the intelligent debate that's been put forward by members of this party, that they should change their position and support our amendment and withdraw their amendment. I know if they want to withdraw their amendment, my colleague, the member for Oshawa, could be prevailed upon to withdraw his sub-amendment. So we could be back to that basic argument.

The minister used the word "gibberish." We tend to agree that the AIB programme as a whole is gibberish and I'm glad that he generally agrees with us about that matter. But I do believe there is a definable meaning possible, as we understand the Liberal amendment, which would bring in a figure—not our six per cent—but would have the effect of bringing in a figure somewhat above six but lower than eight.

That's what we're really talking about. You're talking eight, we're talking six, the Liberals are talking eight at the top or somewhere in between. The question now is, was the minister right in saying that the language used in the Liberal amendment is gibberish and would make an unworkable law? I want the minister please to address himself to this question if he feels there is any further problem about it.

Our understanding is that the Liberal amendment says, "the lesser of eight per cent or the rate of increase for compensation allowed under the basic protection factor and national productivity factor as outlined in part 4 of The Anti-Inflation Act Guidelines for Canada." I take that to mean the basic protection factor as indicated in paragraph 46 of the guidelines, and I take the national productivity factor to be as stated in paragraph 47 of the guidelines.

We can set the national productivity factor aside because that's a specified percentage. The guidelines state: "47. National productivity factor—The national productivity factor for a guideline year is two per cent." So that's a fixed amount.

If I could turn to the basic protection factor as set out in paragraph 46 and deal with the third programme year which is the programme year starting on October 14, 1977, the basic protection factor at that time is the aggregate of four per cent, which is a definite amount, and a second amount that is a formula but indefinite, and that is, and I quote: "The amount, if any, by which the percentage increase in the consumer price

index during the second programme year exceeds six per cent."

So you have a definitive amount that can be calculated for use in the third year—that is the year starting October 14, 1977—calculated upon the consumer price index during the second programme year, which is the year that will end on October 13, 1977. So that it would have seemed to us as we tried to understand the Liberal amendment, that it is not gibberish; it is a readily calculable amount, namely, two per cent for national productivity, basic protection factor of four per cent, making six per cent, plus this calculation based on the consumer price index for the year which would end October 13, 1977.

Hon. Mr. Handleman: Read the calculation and see if it's not gibberish. Everybody should read it. Read the calculation of the experience adjustment.

Mr. Deans: He's read it.

Mr. Lewis: The experience adjustment factor—

Mr. Kerrio: That's not gibberish at all. If you can't figure it out, they'd probably figure it for you.

Mr. Sweeney: Only if it exceeds six per cent.

Mr. Renwick: I'm glad that the minister interjected with that, because that's the misunderstanding I want to clear up.

If you will note, in the Liberal amendment, the reference is to base protection factor and national productivity factors as they affect the rate of increase for compensation.

Mr. Lewis: Right.

Mr. Renwick: But it does not refer in any way to the experience adjustment factor.

Mr. Lewis: Exactly.

Mr. Renwick: I think that we've got to spend just a little bit of time to make certain that our understanding, which has been thrown into question by the minister, is the Liberal understanding of what their amendment is saying. Our understanding is that the Liberal amendment says the lesser of eight per cent or the calculation of four per cent basic protection factor, two per cent national productivity factor, plus the amount, if any, by which the percentage increase in the consumer price index during the second programme year exceeds six per cent; and that's somewhere between six and eight per cent,

unless it happened that the consumer price index calculation was nil, in which case it would be a low of six per cent and a top of eight per cent. It's probably somewhere in between that, but lesser than eight.

Mr. Bullbrook: You're right on.

Mr. Nixon: I think you got that right.

Mr. Renwick: The minister threw in the word "gibberish" and he has again interjected the experience adjustment factor. I agree and everyone would agree—and I would like confirmation from the Liberal Party—that the experience adjustment factor is not included in the calculation which they were proposing.

Mr. Good: If it were in, it would be in the amendment. Do you see it in the amendment?

Mr. Nixon: It's not in the amendment.

Mr. Bullbrook: Can you read?

Mr. Renwick: Well—yes, I can read.

Mr. Bullbrook: Well, it's not in the amendment.

Mr. S. Smith: You were right the first time.

Mr. Bullbrook: Sir Toby, we'd put it in if we wanted it in.

Mr. Renwick: Mr. Chairman, I want to assure the member for Sarnia that, yes, I can read. I'm rather poor at mathematics.

Mr. Bullbrook: That's true.

Interjections.

Mr. Renwick: I think where the minister is, perhaps, having trouble—I'm obviously not having trouble, but I want the minister to understand—

Mr. Kerrio: I think he's getting it now.

Mr. Renwick: —because you have to live with the Liberals long enough before you understand them and I've lived with them for a long, long time so I can understand them. I know the minister can't.

Hon. Mr. Taylor: You lived with the Tories for a while too, didn't you?

Mr. Renwick: The problem with the Liberal amendment in interpretation is that they used the phrase "rate of increase for compensation."

Mr. Bullbrook: That's right.

Mr. Renwick: Therefore, the minister looked at paragraph 45 of the guidelines and the minister made the mistake—and, of course, we made the same mistake when we first looked at it—that the calculations that had to be made were the result obtained from the two calculations taking into account the basic protection factor which is four per cent plus the consumer price index part, the national productivity factor which is the two per cent, and the experience adjustment factor for the year as set out under section 48 of the guidelines.

I would agree 100 per cent that we couldn't possibly put into the Act a provision with respect to the rate of increase in compensation if the three factors were involved: the basic protection factor, the national productivity factor and the experience adjustment factor, because (a) the experience adjustment factor is a very complicated formula and because (b) the result of that factor will not be known for a considerable period after October 14, 1977.

So I'm pleased, because of the interjections made by Mr. Edighoffer and some of his colleagues for the Liberal Party, that their understanding is the same as our understanding as to what their amendment means. Therefore, it's not gibberish and it does have a clearly defined meaning, and while we would like to have six per cent, we want, if possible, to get agreement on an amendment which will bring down the eight per cent.

Mr. Lewis: Right.

Mr. Renwick: The reason we want to bring down the eight per cent—and I am not going to attempt to elucidate the clarity of the presentation made by the leader of the party when he dealt with the figures that are involved. I just wanted to say to the member for Kitchener-Wilmot that there was no great argument up to the point where the member for Kitchener-Wilmot went a little bit hysterical.

The realistic net impact on rent increase as we show it is 7.05 per cent, taking into account the two reductions which we made of administrative costs and fuel costs. I think the point which the member for Kitchener-Wilmot missed was that that was based on total operating costs of 55 per cent as the portion of operating costs to rent. We, on the basis of both the British Columbia study—which we admit is dated in 1975—

Mr. Sweeney: It's on a different base too.

Mr. Renwick: It may well be, but then, as the leader of this party said, we checked with Central Mortgage and Housing Corporation for its overall figure in the public and the private field of housing in which it is involved, and it was using figures for operating costs of 42 and 45 per cent. Therefore, we reduced the 55 per cent to 46.2 because that was the BC figure, to 45 per cent, because that was one of the CMH figures, to 42 per cent, because that was the other CMHC figure. By those reductions we brought the 7.05 down. Using the 46.2 per cent brings it down to 5.92, using 45 per cent brings it down to 5.77 and using 42 per cent brings it down to 5.38. It was on the basis of that calculation—

Mr. Sweeney: Can you explain that to tenants?

Mr. Lewis: We don't have to; just the government.

Mr. Renwick: —that we arrived at the decision that the proper base is six per cent, and we believe the proper base should be six per cent at August 1. We don't believe that the adjustment should wait until October 14, but as we understand the Liberal amendment, they will go with eight per cent from August 1 to October 14. On October 14 it will either be eight per cent or something less, but probably not six per cent on the basis of the basic protection factor and the national productivity factor as set out in sections 46 and 47 of the guidelines.

Mr. Sweeney: And that's fair to both sides.

Mr. Renwick: That's our understanding, and I did hope that I answered your question about gibberish by saying that we just simply do not consider that there is any need to take into account this very complicated additional factor of the experience adjustment factor.

Hon. Mr. Handleman: Mr. Chairman, I just wonder if I could deal briefly with these figures, because a great deal of them have been bandied around. First of all, the average wage increase is said to be six per cent. The figure for 1976 is 9.8. The average wage increase, according to the figures that we have available for the first quarter of 1977, indicates an average wage increase of eight per cent, notwithstanding the AIB guidelines. We have not tied our figures to that. I just want to mention some of the calculations that are going to have to be done if the Liberal amendment carries, because—

Mr. Sweeney: You only have to do it once.

Hon. Mr. Handleman: —while it's been mentioned that it will take effect on October 14, in fact, Statistics Canada issues the October consumer price index, which is a necessary component of the calculation, on November 15, after which the Anti-Inflation Board staff are in a position to do the following calculation—Mr. Chairman, if this isn't giberish, I don't know what is: What they do is they calculate the required percentage increase in the CPI for the second programme year by subtracting the October 1976 figure from the October 1977 figure, dividing the result by the October 1976 figure and multiplying the quotient by 100 per cent.

[10:00]

Mr. Bullbrook: You agreed to that.

Mr. Sweeney: Don't you have anybody over there who knows how to do that?

Hon. Mr. Handleman: In any case, the October 1977 CPI figure—

Mr. Bullbrook: You agreed to that. You signed an agreement.

Mr. Chairman: Order, please. The member for Sarnia will please be silent.

Mr. Bullbrook: I just wanted to tell them they agreed to it. They have an agreement right there. They agreed to that "giberish."

An hon. member: You've given your last speech.

Mr. Chairman: I'll recognize you next.

Mr. Bullbrook: I apologize.

Hon. Mr. Handleman: Mr. Chairman, the fact remains that not until November 15 will the Anti-Inflation Board staff be able to start calculating the figure that is required for the Liberal amendment to become workable. If a landlord doesn't know that until November 15, which is the first day he can possibly know it, if he has to give notice under our Act, he would have to give notice for something like March 1, 1978. I ask the member for Perth to consider that in any possible reworking he may be doing of his amendment, if it's going to be passed, it will not be workable if it goes into effect on October 14, 1977. You would have to be able to give notice at least 90 days after November 15, which is the first day you'll know it.

Mr. Chairman: Will you please turn the television lights off, please? It's starting to bother some of the members. You can turn

them back on again if there seems to be any obvious reason for doing so.

Mr. Good: It's certainly regrettable, in my view, Mr. Chairman, that the Premier and the government have used the debate on these amendments for such other purposes than the actual debate on amendments here tonight. It's the second time within less than two weeks they have used an occasion to try to do something other than debate the matter before the House.

The anti-inflation guideline tie-in, I think, is a very reasonable and sensible approach to the whole matter. Setting the rate at eight per cent had its merits at the time and, while there was a tremendous backlog of appeals before the rent review officers, once the initial numbers were cleared away we find now that there is a pretty steady flow. Many offices across the province have been partly wound down in that the number of cases before the rent review officers has declined a great deal.

The purpose of tying the allowable increase without rent review to the anti-inflation guidelines is a very practical one. People whose wages have been tied to guidelines, whose employment contracts have been probably cut back or agreed to when they were tied in with the anti-inflation guidelines, can understand if their rent is allowed to increase by the same amount. People do not keep constantly aware of the day-by-day or month-to-month inflation factors in our province or in our country. They do, however, realize that somewhere down in Ottawa a group known as the Anti-Inflation Board has at its disposal a figure that represents the inflationary factor in our country and that is kept constantly updated. People can then relate to that figure and feel that if that is what the legislation says and that is what the landlord is asking for, it must indeed be a reasonable increase.

The member for Riverdale explained to the House how this factor would work. Having presented this amendment some several days ago, we thought the purpose of this amendment would be figured out by both the NDP and the government long before this evening. We understood what it is and it is absolutely ridiculous that the minister should say this particular factor would not work and could not be applied. If eight per cent can be applied or six per cent can be applied, a percentage that you would get if we took the trouble to phone Ottawa to the Anti-Inflation Board—and they would give it to you on any particular date you want—if you can't figure

it out then I say all you have to do is get it from Ottawa and they'd figure it out for you.

Hon. Mr. Handleman: They can't figure it out.

Mr. Good: All right. The figures that the minister gave us this afternoon in trying to justify an eight per cent increase may, in some instances, be correct. I don't know. To me they look somewhat cooked.

Hon. Mr. Handleman: Come on.

Mr. Good: I have taken figures on a few apartment complexes that I had at my disposal.

Mr. Kerrio: Your man Miller said it.

Mr. Nixon: They look cooked to me too. Self-serving figures.

Mr. Good: For the two I looked at, property tax did not take 25 per cent of the revenue produced by the particular apartment building. Administration costs took only a fraction of nine per cent which you have allocated to administration costs. Your fuel cost, in one instance, was considerably lower at seven per cent than the actual percentage. While you may have got these figures from 125,000 units which came before the rent review officers, let me remind the minister that the cases coming before the rent review office do not represent a general cross-section of the apartment buildings in the province. They had exceptional expenses or they wouldn't be before a rent review officer. That's how you got these cooked-up figures.

I am not prepared to say what the figures should be, but I certainly think that most people in the province would agree that a figure which is tied to our anti-inflation guidelines would be a correct figure to allow. The anti-inflation guidelines as referred to in the amendment are actually regulations under the anti-inflation Act and are referred to, as I understand it, in their short title as anti-inflation guidelines. So the minister may be quite correct—the word "Act" should come out of there and it would be anti-inflation guidelines under the anti-inflation Act which I think would correct his big objection to that particular figure.

I suggest the minister and the government have tunnel vision on this matter. They don't want to see anything but their own side of the story, and as far as I am concerned, it is immoral that the Premier should send a letter and try to say that this is a matter of deep confidence whether or not the landlords in this province get another two per cent or

whether they don't get it. They still can get it if they are entitled to it. All they have to do is make an application before the rent review officer. To suggest that that is any kind of tie-in with confidence is absolutely ridiculous. The truth of it is the Premier is all dressed up, and he has no place to go unless he can provoke the Opposition into forcing him to do something.

Mr. Deputy Chairman: The hon. member for Grey-Bruce.

Hon. Mr. Henderson: Are you supporting us, Eddie?

Hon. Mr. Rhodes: The voice of reason.

Hon. B. Stephenson: The voice of what?

Mr. Sargent: Mr. Chairman, the minister has threatened to resign from his department if the government extended the rent controls. He said he couldn't live with them. You know he is the same fellow that is rumoured to have said that he would rather commit adultery than drink beer in the Blue Jay ball park. Well, who wouldn't?

Mr. Nixon: Did you say that, Sidney?

Mr. Reid: Sid doesn't have that much sense of humour.

Mr. Breithaupt: Always making choices difficult.

Mr. Sargent: So he's dragging his feet in this department and the people of Ontario are going to suffer for it. Of all the people in the economy the Premier wants to take a whack at the people who rent.

Mr. Sweeney: After the unemployed.

Mr. Sargent: He singles out those people who can't afford to own their own homes and says, even though we have hundreds of thousands of our people out of work, we won't give these people who can't afford a home to buy, we are going to single them out and whack them. We are still going to give them an eight per cent increase in their rents. He wants to be responsible to the developers and landlords. On the other hand, the Treasurer, on the tax reform Act, said it wouldn't be smart politics to bring this legislation into being before an election. So you are playing both sides of the street.

Hon. B. Stephenson: When? What has he been reading now, Playboy?

An hon. member: Listen, Bette.

Hon. B. Stephenson: I was listening.

Mr. Deputy Chairman: Order, please.

Mr. Sargent: All you do is read your own speeches, Bette. That's why you wouldn't know that.

Mr. Deputy Chairman: Will the hon. member direct his comments to the amendment to the amendment?

Mr. Shore: Which bill are you speaking on?

Mr. Sargent: Mr. Chairman, the rental accommodation in this province is non-existent. The Minister of Housing has done a disgraceful job in supplying low cost housing in this province.

Mr. Reid: Any housing.

Mr. Sargent: Over the years, as I've stood in my place in this House, the big developers have had the ear of the government. Last year we had the big developers crying in their beer in our caucus; one man had 10,000 doors, he said—he had 10,000 apartments and we're supposed to feel sorry for him because of this.

Mr. Nixon: I must have missed that meeting.

Mr. Sargent: They've all taken their funds and they've fled south and there's no more rental accommodation available. But those who are lucky to have the houses, you're going to whack them at a time when they need some help. Fifty per cent of our people rent homes and there will always be renters.

Hon. Mr. Handleman: Call him to order, Mr. Chairman.

Mr. Sargent: Because the simple fact of life in Ontario today is that 50 per cent of the people in this greatest province in the world will never own their own home in their lifetime. The system under Premier Bill Davis—

Mr. S. Smith: The biggest disgrace of this government is the housing.

Hon. Mr. Handleman: Order, Mr. Chairman. Order. This is not second reading.

Mr. Sargent: —is a system where no man will ever be allowed to build a home he can afford.

Hon. Mr. Rhodes: Make him speak to the amendment.

Mr. Sargent: I'm speaking to the amendment all right, John.

Interjection.

Mr. Deputy Chairman: Order please.

Hon. Mr. Handleman: Mr. Chairman, on a point of order. There was ample opportunity—two evenings and one afternoon—to speak on the principle of this bill. The hon. member had his chance then; he was not here. I suggest he stick to this amendment.

Mr. S. Smith: When we talk about your lack of housing policy, it hurts.

Mr. Deputy Chairman: The Chair was under the impression that he was speaking to the amendment. Would he continue?

Mr. Kerrio: How's that, John?

Mr. Sargent: You're playing the numbers game with us under the guise of confidence.

Mr. Shore: You're the best numbers guy there is, Eddie, you know that.

Mr. Sargent: We've got good numbers over here—and they can't buy us over there.

Mr. Deputy Chairman: Order, please. Will the hon. member—

An hon. member: You asked for that, Marv. Interjections.

Hon. Mr. Rhodes: You have been for sale since day one. Don't start something you can't finish.

Mr. Deputy Chairman: Order, please. Will the hon. member continue?

Mr. Sargent: And the Minister of Housing, he has his price too. A great Liberal—they bought you too.

Hon. Mr. Rhodes: Any time you are ready, I will talk about you too. Want me to show your pamphlets?

Mr. Yakabuski: So has the Downtowner got its price. It's big.

Mr. Deputy Chairman: Order, please. The hon. member is now not speaking to the amendment. Will he return to the subject matter.

Mr. Sargent: In maintaining their position of eight per cent, the Premier says that this bill—

Interjections.

Mr. Deputy Chairman: Order, please.

Hon. Mr. Rhodes: Want me to show your pamphlets, Eddie?

Mr. Kerrio: He struck a nerve, eh, John?

Hon. Mr. Rhodes: You ditch-digger, don't talk to me.

Mr. Kerrio: Get that, Hansard?

Interjections.

Mr. Sargent: The Premier says that this legislation that's put in by the opposition tonight is prejudicing the tenants—this amendment is going to prejudice the tenants in Ontario. How in the hell can you intimidate a man when he can't pay his rent?

Mr. Shore: He is out of order, Mr. Chairman.

Mr. Deputy Chairman: Order, please.

Mr. Sargent: I'm concerned that in Owen Sound we have hundreds of apartments, which is German money, and one man has control of the ghettos in Owen Sound—one man—and they're whacking these people—

Mr. Yakabuski: When did you get control, Eddie?

Hon. B. Stephenson: Eddie Sargent!

An hon. member: That'll make good reading—

Mr. Sargent: Those are the people who can't pay their rents and you're going to allow an eight per cent increase to this German landlord.

Mr. Deputy Chairman: Order, please. The hon. member is straying now from the amendment to the amendment. Would he kindly return to it?

Mr. Drea: Mr. Chairman, on a point of order. In the name of decency in the House have that last remark stricken about the racial origin of the landlord. Just on a matter of decency.

Mr. Sargent: Thank you, Frank, I will withdraw that. I'm sorry.

Mr. Yakabuski: And all the rest.

Mr. Sargent: But that's all, though. That's all.

An hon. member: Frank, that is the first thing you've done in eight years. You should be a chief justice of the Supreme Court.

Hon. Mr. Handleman: He's an embarrassment to the House.

Mr. Deputy Chairman: The hon. member will continue.

Mr. Sargent: Our response is tied to the AIB, which in effect could be six per cent and could go as low as four per cent.

This government has money. It had \$100 million to give to Syncrude as a token payment—\$100 million of our money to Syncrude, that'll happen not in our lifetime.

Hon. B. Stephenson: Don't you want to have any energy left in the next 20 years?

Mr. Sargent: Do you want to speak?

Mr. Deputy Speaker: Order, please. The hon. member will ignore the interjections and interruptions and continue.

Mr. Sargent: I can't ignore her.

Mr. Grossman: You're away off base, Ed.

Mr. Sargent: And look who's talking—Mr. Grossman there. We spent \$141 million of our money on the Spadina Expressway to elect his father and now we're giving money to re-elect him.

[10:15]

Mr. Deputy Chairman: Order, please. The hon. member will return to the amendment.

Mr. Grossman: Shows what a good local member can do, Eddie.

An hon. member: What did you get, Eddie?

Mr. Deputy Chairman: The hon. member will direct his comments to the amendment to the amendment.

An hon. member: He's being provocative.

Mr. Sargent: He was provocative; yes, he was.

Mr. Kerrio: Is that true, Larry?

Mr. Sargent: In summation, what we have is a complete numbers game, with people who can't fight back. Or maybe they will on election day.

Hon. Mr. Rhodes: I am going to be very brief in my remarks—

Mr. Reid: Hear, hear.

Hon. Mr. Rhodes: You may be grateful.

After listening to the previous speaker, who I assume was speaking in support of the amendment proposed by his party—although it was hard to tell from his remarks—

Mr. Sargent: If you'd kept quiet for a minute, you would have found out.

Hon. Mr. Rhodes: I would like to draw your attention, Mr. Chairman, and to the attention of the House, page 685 of Hansard for November 18, 1975. I would like to quote remarks made by the hon. member for Grey-Bruce at that time during the debate on the rent review bill.

Mr. Sweeney: What's that got to do with the amendment?

Hon. Mr. Rhodes: It has all kinds of things to do with the amendment.

Mr. Breithaupt: On a point of order—

Hon. Mr. Rhodes: Oh, we're not going to have a point of order.

Interjections.

Hon. Mr. Rhodes: I intend to get back to the amendment, Mr. Chairman.

Mr. Deputy Chairman: Order, please.

Mr. Breithaupt: On a point of order, Mr. Chairman, there are others who have been called to order by the Chair with respect to comments that they might have preferred to make on the initial legislation which was passed by this House some two years ago. If the minister is going to be referring to comments that might have been made in dealing with a bill at a certain point in time, then surely that is an opportunity available to all members.

An hon. member: Right.

Mr. Deputy Chairman: Order, please. The point is well taken. The hon. minister should direct his comments to the amendment to the amendment before us at the present time.

Mr. Nixon: That's the end of your speech, John. You might as well sit down.

Mr. S. Smith: Nice try.

Hon. Mr. Rhodes: With the greatest of respect, Mr. Chairman, the hon. member was speaking—

Mr. Nixon: Are you debating his ruling? Are you going to appeal it?

Mr. S. Smith: Why don't you appeal it?

Mr. Grossman: What are you worried about?

Hon. Mr. Rhodes: I am speaking to the point of order.

Mr. Breithaupt: There is no point of order. The decision has already been made by the Chair.

Hon. Mr. Rhodes: Mr. Chairman, are you telling me I cannot proceed in this way? Is that what you're telling me?

Mr. Deputy Chairman: Order, please. The hon. member can't hear the hon. member for Sault Ste. Marie.

Hon. Mr. Rhodes: Mr. Chairman, are you saying that I am out of order to read the comments that are part of my position?

Mr. Deputy Chairman: I said that you are out of order to read verbatim from Hansard, referring to a debate some years ago. If you wish to relate it to the amendment in brevity, that would be in order.

Hon. Mr. Rhodes: You may rest assured, Mr. Chairman, that I do not intend to read eight or 10 pages; I wish to read one paragraph as part of the debate on this amendment.

Mr. Reid: It is out of context.

Hon. Mr. Rhodes: Wait until he hears it.

Mr. Sweeney: You wouldn't let me speak on the original bill.

Interjections.

Mr. Deputy Chairman: Order, please. The Chair will listen and then make the decision.

Hon. Mr. Rhodes: Thank you, Mr. Chairman. I indicated I would be very brief, but on November 18, 1975, the hon. member for Grey-Bruce said: "The eight per cent guideline here is suicide for the people who have their money invested in apartments when they're doing the refinancing. This is a fact. I'm not going to get into any argument about whether or not I am right or wrong. This is a fact." He went on to say—

Mr. Sargent: On a point of order, Mr. Chairman—

Hon. Mr. Rhodes: —"I want to tell you, sir, 200,000 or 300,000 appeals immediately."

Mr. Deputy Chairman: Order. The hon. member has risen on a point of order. Would he state his point of order?

Mr. Sargent: Mr. Chairman, that was a fact in 1975; it was true. But it's not true today.

Hon. Mr. Rhodes: I was out of order, Mr. Chairman. Thank you, sir.

Mr. Deputy Chairman: Order, please. Are you ready for the question? The hon. member for Peel South wishes to comment.

Mr. Kennedy: For a couple of minutes. Interjections.

Mr. Kennedy: Look, you fellows have prattled away since this bill was introduced and half the evening tonight.

Mr. Nixon: I feel a speech coming on.

Mr. Kennedy: I have in excess of 50 per cent of the people in my riding in rental accommodation, and I think I should have a moment to express their views and speak on behalf of them.

Mr. Reid: Here comes a believer in the AIB.

Mr. Kennedy: When the original bill was introduced, I did a considerable canvass of the people in my riding. What they were disturbed about was the 20, 30, 40 and 50 per cent increases. They said they would happily live with eight, 10 or 12 per cent.

Mr. S. Smith: Oh, are we going up to 12?

Mr. Kennedy: We came in at eight per cent. It was accepted.

Mr. Sweeney: It's going up to 12 if you guys come back in again.

Mr. Kennedy: All our people are expecting is a continuation of the rent review programme—not rent control as the members opposite would have; interminably, indefinitely rent control. I put this on the record, that they would accept this on the basis of a continuation in accordance with the bill.

I go abroad as Trudeau did, to Washington. I happened to be in Washington too, where they have rent control, not rent review. The Washington Post statement is, "no rental apartment construction has taken place in that city since 1973."

Mr. Ruston: That is not in this amendment.

Mr. Kennedy: The members opposite do a disservice to our tenants when they proclaim that rent control should be instituted and should go on indefinitely.

Mr. Deputy Chairman: Order, please. Speak to the amendment.

Mr. Kennedy: So I'm in support of the bill as presented by the minister.

Mr. Breithaupt: Mr. Chairman, before the Solicitor General starts taking orders, we are

prepared to proceed at this time with the taking of the vote with respect to these two particular amendments so that further amendments can be dealt with another time by the House.

Hon. Mr. Handleman: Before taking the vote, I wonder if I could ask the member for Perth if he's prepared to make the correction to the title which was suggested, I believe, by the member for Waterloo North, who suggested that in fact our statement to you was correct—that you had used the wrong name of the Act in your amendment, which would make it unworkable.

Mr. Nixon: Are you going to vote for it if it's changed?

Hon. Mr. Handleman: I suggest it would be much more orderly if the member who moved the amendment would correct it.

Mr. Nixon: Then you're going to vote for it?

Hon. Mr. Handleman: No.

Mr. Deputy Chairman: Order, please. We understand the hon. member has informed the Chair that the wording should read "Part 4 of the Anti-Inflation Guidelines."

Mr. Nixon: Now you're going to support it? You're going to support it?

Mr. Bullbrook: What kind of chicken game is that?

[10:45]

The committee divided on Mr. Breaugh's amendment to subsection 1 of section 1, which was negatived on the following vote:

Ayes 29; nays 72.

Mr. Lewis: Why are you fighting this campaign against the tenants of Ontario?

The committee divided on Mr. Breaugh's amendment to Mr. Edighoffer's amendment to subsection 1 of section 1, which was negatived on the following vote:

Ayes 29; nays 72.

The committee divided on Mr. Edighoffer's amendment to subsection 1 of section 1, which was approved on the following vote:

Ayes 54; nays 47.

Subsection 1 of section 1, as amended, agreed to.

Hon. Mr. Welch: Mr. Chairman, we've been giving some consideration in consultation with the other House leaders as to how we might deal with the balance of the bill

because of the late hour, and I'd like an understanding that we have unanimous consent to proceed tomorrow. I'd like to make sure that we have unanimous consent to proceed tomorrow as follows:—

Interjections.

Mr. Deputy Chairman: Order, please. The hon. House leader will continue.

Hon. Mr. Welch: I wouldn't want to dis-appoint you at this late hour. I would remind you that we're still in committee. You still have a chance to look after things when we get to third reading of the bill.

On the understanding that we'll proceed to deal with three private bills that will be on the order paper tomorrow—Pr8, Pr21 and Pr27—we will—

Mr. Sargent: What are you shaking about?

Hon. Mr. Welch: I'm shaking because I still haven't got over your contribution to the debate tonight. I think the Minister of Housing really laid you low tonight. There's no doubt about that.

Mr. Bullbrook: He'll rise again.

Hon. Mr. Welch: Yes. We'll then go back into committee of the whole House to complete the consideration of this bill and then we come out of committee on the understanding we will have unanimous consent to give the bill third reading and royal assent. So, we are agreeing to suspend the other order previously announced with respect to the budget debate.

Mr. Breithaupt: Agreed.

Hon. Mr. Welch: On that understanding, I'd like to move that the committee rise and report.

On motion by Hon. Mr. Welch, the committee of the whole House reported progress.

Mr. Lewis: Whatever happened to the Ministry of Northern Affairs?

Mr. Speaker: In accordance with standing order 27(g) and provisional order 4, we have certain matters to deal with at this time. If you want to dispense, you may leave but we have to go on with this business. So therefore, in accordance with standing order 28(a), I deem a motion to adjourn to have been made.

POINT OF PRIVILEGE

Mr. Deans: Mr. Speaker, on a point of personal privilege I suppose, I was informed

the Treasure would not be available this evening to discuss the matter that I raised and I would ask that my particular matter be set over to Tuesday next.

Mr. Speaker: Is that agreed?

Hon. Mr. McKeough: If the member is not prepared to proceed, then I certainly give my permission.

Mr. Deans: Mr. Speaker, on the basis of that interjection, I am happy to proceed.

Mr. Speaker: Thank you. We are all happy then.

GROUP HOME PLACEMENTS

Mr. Speaker: The member for Bellwoods was dissatisfied with the answer given by a certain minister. He may have five minutes to explain his point of view.

Mr. McClellan: Mr. Speaker, may I wait for about a minute until the din of the House clears?

Mr. Hodgson: Proceed, proceed.

Mr. McClellan: Well, I will proceed. The context of my question to the Minister of Community and Social Services first needs to be briefly delineated.

Mr. Speaker: Order, please. I request those who are leaving to leave as quietly as possible please. Thank you.

Mr. McClellan: Thank you, Mr. Speaker.

Because of the chaos in children's services in this province, the family courts began placing children directly under authority of The Juvenile Delinquents Act, thus bypassing the entire shambles of Ontario's existing child care service system. On April 21, Judge Holland delivered a decision in the Supreme Court which appears to have invalidated that process.

My question today was a direct appeal to the minister. I was supported in that by questions from the Liberal leader and by the member for St. George (Mrs. Campbell) for some answers to the dilemma that Judge Holland's decision has posed to us and to the new crisis that child welfare services in this province had been thrown into as a result of that decision. We spoke specifically about the problem of a young girl placed in a group home, Youth Sphere, which was on Tuesday ruled invalid as a result of Judge Holland's decision.

The minister did not answer my question. He did not answer the Liberal leader's question. He did not answer the member for St. George's question. That has become a pattern.

This minister was appointed to solve the problems and the chaos, the scandal and the shambles and the disaster in children's services in this province. The so-called solution was presented to us on April 4 in the policy statement. Strangely, details were absent in that document. In fact not one single concrete solution to one single problem has been addressed so far to date by this minister, and today's answer was just the latest in this series of evasions by this minister.

If you want to walk through the rubble of the April 4 policy edifice, I invite you and the members of this House to read the Hansard reports of the social development estimates for Monday and Tuesday of this week. Under questioning from myself and the member for St. George (Mrs. Campbell) that policy balloon of April 4 collapsed under the weight of its own hot air.

[11:00]

Secondly, we have in the last few weeks had the devastating revelations of the application brief for a judicial inquiry into the administration of The Child Welfare Act, and we have had no answers yet from this minister and no action and no decision.

Thirdly, a very real crisis has now emerged as a result of Judge Holland's decision, which threatens hundreds of placements of children who are currently in group homes and makes it impossible for adequate child welfare arrangements to be made for future children.

I remind you, Mr. Speaker, that the so-called reforms are not in place and that the so-called timetable the minister announced for implementation has fallen apart under questioning. What is called for now is leadership and some decisive action. We have made a concrete suggestion to this minister, that if he picked up 100 per cent of the costs it would be possible for family court judges to continue to place children under the authority of The Juvenile Delinquents Act until such time as the reforms promised are in place; and we anticipate that that will be some two to three years.

In the meantime, there is a terrible hiatus, there is a complete vacuum of adequate arrangements and provisions of child care services. Instead of answers, instead of decisions, instead of leadership, we have had smiles and shrugs and "I don't know" and

"I don't agree" and "I wasn't told by my staff" and "I don't know what happened at the meeting today with the municipalities." In summary, "I don't know what to do" is what this minister is telling us. We are now right back where we started when the inter-ministry report was revealed to us in December. The shambles remains, with the difference that the situation is now worse as a result of the Holland decision and we still do not have, from this government, an answer to what it proposes to do.

The reason I have brought the minister here tonight is to invite him to give us, for once in his brief ministry, a coherent answer, a coherent suggestion, a coherent proposal about what he is planning to do.

Mr. Speaker: The hon. minister has five minutes now.

Hon. Mr. Norton: Mr. Speaker, I'm not sure that I'll require five minutes. Perhaps part of the misunderstanding that has existed between the hon. member opposite and myself is that he has difficulty in formulating his questions. When he raised the question with me earlier this afternoon, it was my understanding that he prefaced it by saying, "Don't you agree that . . ." and my response, essentially, was no, because I did not agree with the proposition that he put forward to me at that time that the simplest resolution and the obvious resolution was for the province of Ontario to pay 100 per cent of the costs of the placement of the children in question.

It seems to me the hon. member has a rather excessively simplistic concept of the kind of problem that is faced in Ontario with respect to children's services. If, in fact, he is suggesting that all the problems we might face in the area of children's areas, and particularly those that result from the decision of the Supreme Court recently, can be resolved by a simple decision to pay 100 per cent, then I disagree with him. That is what I indicated this afternoon when I said no. I have said it three times to him in the House already.

Mr. McClellan: Tell us what you're going to do.

Mr. Speaker: Order, please. Only the hon. minister has the floor.

Hon. Mr. Norton: May I suggest to him that the solution to that problem is not something that can be simplistically decided unilaterally. It involves the communities across this province, it involves the government of Ontario, it involves the courts of

Ontario, it involves the Children's Aid Societies of Ontario. His solution is as simplistic as every solution that his party puts forward in this House.

Ms. Gigantes: What is your answer?

Interjections.

Hon. Mr. Norton: Listen to me for just one moment—give me an opportunity to respond. Since that decision was made I have been engaged in consultation with all the parties I just mentioned, and I am pleased to announce, to this House, as I did this afternoon, that I have received great co-operation from all of those parties concerned. The welfare of the children of Ontario, I can assure you, is in good hands in terms of those people that I have spoken about.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Norton: No child in this province will suffer as a result of that decision. The decision has been made that the decision of the court will be appealed. In the interim, certain undertakings have been made. One of those is that the municipalities will continue to respond to the orders that preceded the decision. The other is that for the intervening period, I will seek through consultation with my colleagues to provide for interim financing. That is yet to be determined. I will be in a position to announce that in the very near future.

However, I don't anticipate that will be 100 per cent. I will not support 100 per cent, and let me tell the member why: Because it is fundamental to the difference in the philosophy between his party and mine. Its members are always shouting about what economic control means. If 100 per cent support were to come from the province of Ontario, essentially the decisions would have to be made centrally and at the provincial level in this province with respect to the care of children. That is not something I'm prepared to accept.

It is the purpose of this government to return the responsibility wherever possible, in co-operation with local authorities, to the local community. We will pursue that as long as I am minister in this portfolio.

Mr. McClellan: You are wrong, you are wrong.

Hon. Mr. Norton: I am not wrong. You are misled—

Mr. Speaker: Order, please. Thirty seconds left.

Hon. Mr. Norton: You are misled, and you are engaged in a headlong effort to mislead the people of the province of Ontario.

Mr. McClellan: That is not true.

Hon. Mr. Norton: The resolution of this problem, I can assure you, which will be announced within the next three or four days, will be one—

Mr. Speaker: The hon. minister's time has expired. Thank you.

Mr. MacDonald: You should withdraw that remark.

Mr. McClellan: On a point of privilege, I didn't want to interrupt and take away from his time. But I would ask you to instruct the minister to withdraw the remarks about "on a headlong course to mislead the province."

Mr. Speaker: It is against the rules of this House to accuse another of misleading the House.

Mr. McClellan: Well, let's not play games with this, Mr. Speaker.

Mr. Speaker: I think perhaps upon reconsideration, it is imputing a motive to the hon. member, and I would ask the minister to withdraw those words.

Hon. Mr. Norton: Mr. Speaker, I will amend my comments so that they might read, with the exception of the members of the Legislative Assembly of the province of Ontario.

Mr. Speaker: No, no—I want the words having to do with misleading withdrawn, please.

Hon. Mr. Norton: I am sorry, Mr. Speaker. I thought that those members of the House already were probably misled—

Mr. Speaker: No, I'm talking about misleading anybody.

Hon. Mr. Norton: I shall at your request withdraw that.

Mr. Speaker: Thank you. To make myself clear—it was the motive that was imputed that I wished to have withdrawn.

LICENCE FEES

Mr. Speaker: Now we will hear from the hon. member for Timiskaming who had a

question of the hon. Minister of Transportation and Communications, I believe.

Mr. Bain: Mr. Speaker, in what may or may not turn out to be the dying days of this Parliament, I can realize that with the time constraints of the question period today, when I just got the question in and the minister barely had a chance to give an answer, he may not have had an opportunity to present as full an answer as he might have liked to. I am afraid the answer that he did give could cause some considerable difficulty and that is why I wish clarification.

The \$10 licence plate fee that will apply to northern Ontario for 1978 apparently will not apply to half-ton trucks. This fee, of course, applies to passenger cars and motorcycles. My concern in raising the issue this afternoon was that a number of families in northern Ontario possess as their sole family vehicle half-ton trucks, and they would not qualify under the present announcement of a \$10 licence plate fee.

I have checked with the Ministry of Transportation and Communications and the minister in his answer this afternoon alluded to the fact that if half-ton trucks were registered as passenger vehicles they could qualify for a \$10 licence plate fee. If that is a change in the ministry's policy, I welcome that announcement.

But upon checking with the Ministry of Transportation and Communications, I was told that a person going into the licence office saying he would like to register his half-ton truck as a passenger vehicle would be told definitely that he could not do that. He could not register a half-ton truck as a passenger vehicle and therefore could not qualify for the \$10 licence plate.

If the minister wishes to make an announcement changing that, that would be great. But as I understand it, the ministry at present does not licence a vehicle as to what it is used for, but as to what it is. The present regulation on a half-ton truck is a classification based on its manufacture and by definition a half-ton truck is a commercial vehicle.

At present, to have a half-ton truck registered as a passenger vehicle it would have to undergo major structural changes. These changes would have to be documented and this documentation sent to the ministry here in Toronto before the half-ton truck would be reclassified as a passenger vehicle.

As I say, if the minister is willing to make the change, I welcome that change. If he would like to share with the House that

change in regulation tonight that would allow half-ton trucks to be classed as passenger vehicles, I look forward to that statement. Unfortunately the present regulations for half-ton trucks require a \$33 minimum licence.

I also mentioned this afternoon that I felt half-ton trucks that were used for farm purposes should also be allowed the \$10 licence plate fee. The reason I mentioned this is that at present most half-ton trucks would qualify for the minimum \$33 licence plate fee. But with the new commercial vehicle rates announced by the Treasurer in this House, that would become a flat rate increase on all commercial vehicles of \$22 plus nine per cent. Therefore, the \$33 minimum with that new rate would become \$60. So therefore, a farmer or a family that has as the sole family vehicle a half-ton truck would now pay \$60 in the year 1978.

But the \$10 licence plate fee for northern Ontario would mean that somebody who has a Cadillac, who would pay under the new regulations \$80 in southern Ontario for his licence plate, would only pay \$10. I'm sure the minister will agree with me that there's a tremendous injustice there. A family that can only have as their sole family vehicle a half-ton truck would have to pay \$60 under the new regulations, where somebody whipping around the countryside in a Cadillac would pay \$10. I would hope this would be corrected.

Mr. Acting Speaker: I would like to inform the member, you have about 15 seconds.

Mr. Bain: Thank you very much, Mr. Speaker. I would hope the minister will allow for families who have only a half-ton truck ent reduction that he mentioned for farmers would also be allowed this new \$10 rate for their trucks. Possibly the minister might even give consideration to somebody who used his half-ton truck solely for recreational purposes. I would just like to add that the present reduction that we mentioned for farmers does not include the 5,000-pound or half-ton vehicle. Therefore, a farmer pays the same basic \$33 now and is not given a discount so he can't use that to allow for a discount.

I look forward to the minister's comment that he will apply equity to all people in northern Ontario and allow this \$10 rate for half-ton trucks.

[11:15]

Hon. Mr. Snow: Mr. Speaker, as the hon. member has stated, when this question was asked it was about 30 seconds before Mr.

Speaker declared the question period over and I don't think we had a chance to clarify the matter properly at that time. As I was saying when the question period ended, it was my understanding that a half-ton pickup truck or a van can be registered as a passenger vehicle. Perhaps my interpretation or my phraseology wasn't exactly correct; perhaps I should have said a recreational vehicle.

To expand on that, passenger plates are issued to half-ton pickups or to vans provided these vehicles have been converted to some degree to be used as recreational vehicles. This has been the policy of the ministry for some time. I would also say that the fee schedule at the present time contains special reduced fees for farm vehicles, starting at 6,000 pounds, which is the normal licence weight at which a person would license a truck if he was using it for farm purposes.

Mr. Bain: Not a half-ton truck though.

Hon. Mr. Snow: Well, a half-ton truck weighs about 4,000 to 4,500 pounds. If one is going to carry any load one would expect him to license that for 6,000 pounds. The safe load that can be considered to be carried on a normal half-ton truck is about one ton. He has to license it for one ton above what the net weight of the truck is, so it is around 6,000 pounds. People who use them only for passenger purposes generally license them for 5,000 pounds, but a farmer who is going to go to the mill to pick up a ton of feed is going to need a 6,000-pound licence and he does qualify at 6,000 pounds for a reduced fee.

Mr. Bain: How much?

Hon. Mr. Snow: The fee on a 6,000-pound licence is \$41 at the present rate compared to \$49 for a non-farm vehicle. The difference gets much larger on the larger trucks.

Mr. Bain: Not \$10.

Hon. Mr. Snow: The new policy set forth in the recent budget by the Treasurer will affect many of the regulations made under The Highway Traffic Act. There are many charts and pages and pages of calculations. That is the regulation book that we use in the office that lists the fees for all the different types of vehicles that we license; the farm fees, the regular fees, the recreational fees and so on. These regulations must be reviewed in detail.

As I say, the budget speech just referred to the basic policy of the reduced rate. My ministry staff, in the next days and weeks, and I guess in the months ahead, will have

to recalculate and prepare a completely new regulation to bring about the changes to implement the new policies as announced in the budget. These, of course, then must go to regulation committee and cabinet to be dealt with so that the regulation can be passed some time prior to December 1—obviously a period ahead of December 1 to allow the regulation to be printed and to go out to our agents so they will have them for issuing the new licences starting December 1.

The Treasurer's budget referred to about three lines. Obviously there are a great many pages required to verify all of these. We will be working out all of these different calculations during the summer and the new regulation will be ready in the fall. Traditionally, over the years the cost of the licence for a pickup truck has been roughly the same as that for a car, because I accept the fact that many families use a pickup truck in some cases as their only vehicle and in many cases as their second car.

Mr. Acting Speaker: There are about 15 seconds left.

Hon. Mr. Snow: Okay, I don't need it.

Mr. Bain: Will it now be \$10?

Hon. Mr. Snow: These things will all be taken into consideration and will all be clarified when the regulation is published this summer.

Mr. Bain: Will it be \$10?

CAPITAL WORKS PROJECTS

Mr. Deans: Mr. Speaker, I didn't realize I was going to have the pleasure of speaking with the Treasurer tonight since he sent me a note that he couldn't be present. I assume he was trying to keep me out of the House in order that he could claim that I wasn't interested in the topic.

Interjection.

Mr. Deans: In any event, I want to suggest that the question that was asked today by my colleague from Welland-Thorold (Mr. Swart) is the basis for the supplementary question I asked of the Treasurer. It deals directly with requests of municipalities for a great share of the moneys that they believe and we believe were committed to them under the Edmonton commitment. It appears in the budget that \$108 million less than could have been paid was, in fact, paid to the municipalities.

The Treasurer says in his answer today on page 1435-3 of Instant Hansard:

"As it has turned out, slightly less than was anticipated was paid out during 1976 and there is a small variation in the amounts as they have finally been calculated and estimated at this point by the various ministries for 1977. I would not at this point, and I think I have made this quite clear, go back and suggest changes to a whole host of regulations and legislation and in effect say to the municipalities I am going to catch up on the errors . . ."

First of all, \$108 million at this point in time is not a small amount. Secondly, we are faced in the province of Ontario with in excess of seven per cent unemployment generally, with over 25 per cent unemployment in construction and there were a number of concrete suggestions made to the ministry by the school board of Metropolitan Toronto and by other municipalities about projects which were both necessary and desirable and which could have gone ahead in this current year and could have eased the burden of unemployment for the people in the construction trades.

But that is not exactly the problem that I see. With regard to the specific proposals for work programmes, my colleague asked the ministry whether it is worthy of consideration of approval that these things be placed before the government and in fact whether they are a far better method of creating employment than the fast write-offs that the government has given to corporations.

The Treasurer said: "The philosophy of this government is quite clear. It's the private sector which is going to ultimately put people back to work in a meaningful way." He went on to say: "If you want to go on, recognizing that school board expenditures are going to be paid either by Metropolitan Toronto taxpayers or by us, then inevitably you must [have] either borrowing or higher taxes. That's your philosophy, not ours."

I want to begin by saying to the Treasurer this: that when you are faced with 25 per cent plus unemployment in construction; when you are faced with in excess of seven per cent unemployment generally; and when you have \$108 million that should have been paid to municipalities for capital projects which was not paid; and when there are projects which in themselves are both necessary and desirable and which could have been started, or could even yet be started, in these municipalities during this current

year, it makes abundant good sense to use that \$108 million to put people to work.

What worries me about the Treasurer is exactly what he claims to be his philosophy—that he would rather sit back and hope by some fanciful means, with no initiative on the part of the government, that the private sector will somehow or other come up with jobs. But he has also admitted in the same budget that the private sector will not be able to come up with the number of jobs which would reduce the level of unemployment to a level which you and I, Mr. Speaker, and my colleague from Welland-Thorold, would consider to be reasonable in a province as industrious and rich with natural resources as this province is.

We have generally accepted in the province of Ontario, not only on our own but at the suggestion of the previous Treasurers—and I think even at the suggestion of this Treasurer in days gone by, not so long ago—that three per cent unemployment was an acceptable level for the province of Ontario.

The province has suddenly changed its mind, or perhaps it's only the Treasurer—

Mr. Acting Speaker: You have about one minute.

Mr. Deans: Thank you—and now we are talking about a 5.3 per cent permanent unemployment force. We are talking about 320,000 unemployed now in excess of 100,000 more than would have been generally acceptable. We are talking about money available to put these people back to work. We are talking about having to raise from the taxes paid by all of the others who are out of work the necessary moneys to provide either unemployment insurance on the one hand, or welfare benefits on the other hand.

We completely reject the suggestion that it's better to continue to collect taxes from those who work and to pay welfare benefits to people who could be working but who are put out of work by the policies of this government. We suggest that if there is the money to pay the welfare then there is the money now, using this \$108 million and more, to put into effect the projects that are necessary and to put the very people who will now be having to live on welfare on the rolls of the employed.

Mr. Active Speaker: Your time has expired.

Mr. Deans: We opt for employment; we ought not to put people on to the welfare rolls.

Hon. Mr. McKeough: Mr. Speaker, coming through the rhetoric which we've just heard and perhaps heard earlier in question period, obviously the member feels that some sum of money—\$108 million—should be advanced to municipalities for make-work projects. That's not the position of the government. I've reviewed the answer I've given

this afternoon and would not change that position.

Mr. Deans: I'm still not satisfied.

Mr. Speaker: I deem the motion to adjourn to have been carried.

The House adjourned at 11:25 p.m.

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Fourth Session, 30th Parliament
Friday, April 29, 1977

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, Q.C.

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LEGISLATURE OF ONTARIO

FRIDAY, APRIL 29, 1977

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

COURT FACILITIES IN METRO TORONTO

Hon. Mr. McMurtry: Mr. Speaker, I want to announce my ministry's programme to expand and decentralize provincial court facilities in Metropolitan Toronto.

The purpose of the programme is to speed up the judicial process by avoiding unnecessary delays and to bring the court system closer to the people. The programme will cost approximately \$2.6 million.

We are currently developing new court facilities in Etobicoke, North York and Scarborough. We will be locating 246 people, including judges, Crown attorneys and support staff, in these facilities.

In addition, I'm announcing today the appointment of a deputy Crown attorney for each of these three boroughs. Each deputy Crown attorney will direct the work of the Crown attorneys assigned to his jurisdiction. This will enable the Crown attorneys to provide more continuity in cases and enable them to spend more time interviewing witnesses and police officers, screening charges and preparing cases for trial. This will enable the Crown attorneys to generally provide better and more convenient service to the public.

With this programme, a Crown attorney assigned to a serious case, for example, will follow that case from start to finish. This procedure will enable the Crown attorney to more readily engage in pre-trial disclosure and discussion with defence counsel to the benefit of all concerned. This should result in cases being expedited to the trial stage and the actual trial, in many cases, being shortened. It should, of course, result in substantial cost savings for both the Crown and the defence and, most of all, the public.

This decentralization programme will ease pressure at the old city hall courts in downtown Toronto. The increase in the case load

of the provincial courts criminal division in Metropolitan Toronto in recent years has been extraordinary. For example, in 1968, the case load was 830,467. By 1975 it had grown to 1,375,678, an increase of 66 per cent.

All categories except liquor charges have increased, but of particular concern and importance is the increase in cases under The Criminal Code and other federal statutes. In 1968, The Criminal Code dispositions in Metropolitan Toronto totalled 26,990. By 1975 this had grown to 82,640, an increase of 206 per cent in seven years.

The growing case load and the nature of existing facilities has resulted in a number of inconveniences for those involved as cases have been moved from one court location to another. For example, impaired driving cases from Scarborough are heard at the old city hall downtown. The Highway Traffic Act cases from Scarborough are heard in North York. This programme will therefore enable most cases to be heard in the area in which they arise.

In Etobicoke, we are locating new court facilities at 80 The East Mall. This will include five new criminal courtrooms. One family courtroom will be maintained at 16 Silverhill Avenue. These facilities will have a staff of 73 persons and are scheduled to open in August.

I am pleased to announce the appointment of Mr. Norman G. Matusiak, QC, as deputy Crown attorney for Etobicoke. Mr. Matusiak first joined the Crown attorney's office in 1964 and he has lived in the Etobicoke area for the last 15 years.

In North York, we will be providing six new courtrooms for a total of nine in the borough. The main facility will be at 1000 Finch Avenue West. The existing traffic court at 47 Sheppard Avenue East will be maintained. The courts staff in the borough, including judges and Crown attorneys, will total 73. The new facilities should be available for use by October.

I am pleased to announce the appointment of Mr. Robert Bruce McGee as deputy Crown attorney for North York. Mr. McGee

first joined the Crown attorney's office in 1967.

In Scarborough, we will be providing a total of 11 courtrooms, including three new criminal courtrooms, four new traffic courtrooms and one new courtroom for family matters. This major new Scarborough facility will be located at 1911 Eglinton Avenue East and will have a staff of 90. It should be available for use in November.

I am pleased to announce the appointment of Michael McKenzie Lynch as deputy Crown attorney for Scarborough. Mr. Lynch joined the Crown attorney's office in 1968 and has lived in the Scarborough area for seven years.

In summary, I am confident that this programme will provide the necessary improvements to court facilities in Metropolitan Toronto and at the same time provide more convenient access to the courts system by the public as a whole.

Mr. Bain: What about Sudbury?

ORAL QUESTIONS

BARRIE ANNEXATION PROPOSAL

Mr. Lewis: Mr. Speaker, may I pick up with the Minister of Agriculture and Food where he left off yesterday in his exchange with the leader of the Liberal Party? Can he indicate to the House if his ministry as part of its normal processes in the food lands branch provided specific commentary to TEIGA on the intended or proposed Barrie annexation with particular reference to the way in which the ministry viewed the use of that potential agricultural land for development? Is there in fact such a document in the normal processes of your ministry?

Hon. W. Newman: Mr. Speaker, on every plan that comes before either TEIGA or Housing, whether it is an official plan amendment or a plan of subdivision, there are always internal memos that go from my ministry which I do not see because there are so many of them. They comment on the due process. I know our people probably commented to the Simcoe-Georgian area task force. They probably commented on any other subdivision plan in the province of Ontario. I wrote the Treasurer (Mr. McKeough) an official letter outlining our position on the land situation in the area, which letter was tabled in the House, I believe, by the hon. George McCague on a Friday morning.

Mr. Lewis: Perhaps the member for Dufferin-Simcoe is honourable but he hasn't yet acquired the title.

Hon. W. Newman: Sorry.

Mr. Lewis: Supplementary: Is the minister prepared to provide publicly—obviously not in this legislative forum, but publicly within the next few days—the actual document which issued from his ministry, critical of the intended annexation and its use of prime agricultural land in that part of the province? Or is he determined to keep the document secret?

Hon. W. Newman: Internal documents in my ministry—comments go back and forth to the various ministries about the preservation of agricultural land—I don't see all those. I would like to have a look at what the member is talking about to see exactly what our people have done. Certainly I'm not prepared at this point in time, until I have had a chance to go over it, to say what I'm prepared to do.

Mr. MacDonald: Supplementary: Was the letter that the minister wrote to the provincial Treasurer—and which was tabled in the House a week ago Friday by the parliamentary assistant to TEIGA—an accurate reflection of the comment that was made by the food land development branch, or a watered-down version of it, to conform with the provincial Treasurer's approach?

Hon. W. Newman: Every letter that I write to the Treasurer or any other minister in this government expresses the view of the ministry, especially of the minister, of how he views the situation anywhere in the province of Ontario.

Mr. MacDonald: Mr. Speaker, I would draw to your attention that the minister didn't answer my question. My question was: Was his letter a watered-down version of the commentary of the food land development branch or was it an accurate reflection of that branch's views?

Hon. W. Newman: Mr. Speaker, the letter that I wrote to the Treasurer outlined our position very loud and clear, and as far as I'm concerned it wasn't watered-down. The letter indicated exactly how we felt about the proposed annexation up there, and I made it very clear in the letter.

Mr. S. Smith: Supplementary: Since the letter that the minister wrote to the Treasurer was in the year 1976, and since the staff

report from the food land division is dated August 1975, can he explain to this House precisely what category of secrecy requirement it is that's preventing him from letting us see the actual document that his food land branch has prepared? What is the reason for the secrecy, just so that we can understand it? Is it just to prevent embarrassment to the Treasurer?

Hon. W. Newman: It is not to prevent embarrassment to anyone. As I've said, we have comments going out on a daily basis to all ministries which I don't even see because they're internal documents. When a matter comes to my attention and I'm asked to comment on it directly, which I did in the letter to the Treasurer on the situation—I think one thing the member is forgetting is that we have issued food land guidelines for this province—and don't look like that because you read right from my speech when you talked about your agricultural policy. Don't look like that.

Mr. Speaker: Order, please.

Mr. S. Smith: On a point of order.

Mr. Breithaupt: Who is looking like what?

Hon. W. Newman: We don't know what your policy really is.

Mr. Speaker: Order.

Mr. S. Smith: I can appreciate that the Premier (Mr. Davis) doesn't like it if I criticize his policies, but just for looking that way?

Mr. Speaker: Order.

Mr. S. Smith: What more am I supposed to do to avoid an election?

Hon. Mr. Rhodes: Get another pair of glasses.

Mr. Sweeney: What did you have for breakfast, Bill?

Mr. Lewis: If the Premier didn't have an issue before, the appearance of the leader of the Liberal Party is sufficient to justify the call.

WCB REHABILITATION PROGRAMME

Mr. Lewis: May I ask the Minister of Labour: Is the minister aware of the really quite deplorable state of vocational and medical rehabilitation services for workmen's compensation recipients right throughout

northwestern Ontario, provoking great and open expressions of community concern? Can she indicate to us whether she is prepared to respond to this in an urgent fashion?

[10.15]

Hon. B. Stephenson: The Workmen's Compensation Board is in the process right now of hiring more well-trained staff specifically for medical and vocational rehabilitation. For vocational rehabilitation the vast majority of the new staff will be distributed throughout the province. Northwestern Ontario is one of the areas that is being concentrated upon.

Mr. Laughren: Supplementary: Is the minister aware that the level of medical rehabilitation being offered to injured workers in northwestern Ontario compares very badly with those services being offered to people who come to Downsview, as opposed to having medical rehabilitation in the Thunder Bay area?

Hon. B. Stephenson: I am aware that in northwestern Ontario there is an excellent health facility in Thunder Bay.

An hon. member: It's overcrowded.

Hon. B. Stephenson: The hospitals are used by the Workmen's Compensation Board throughout the northwest as well as they are throughout the rest of the province. Not everyone is required to come to Toronto or to go to any other specific place, but the rehabilitation hospital is in Downsview. There have been some explorations of duplication of that service. These are ongoing and I am not sure when the recommendations will be forthcoming from that kind of review.

At the moment, in order to provide the excellent rehabilitation service for which the Workmen's Compensation Board of Ontario is well known, the individual injured workmen would be required to come to the Downsview hospital. The medical rehabilitation is carried out within the local hospital system and in most instances is excellent. The staff of the hospital in Thunder Bay are very well-trained, very good people who are very concerned. They do, in fact, serve the injured workers in that area very well on behalf of the Workmen's Compensation Board.

Mr. Laughren: Is the minister aware that for workers who are disabled in northwestern Ontario and have a partial disability, there is virtually no vocational rehabilitation services

being offered those people whatsoever in that entire part of the province?

Mr. di Santo: Excellent.

Hon. B. Stephenson: I just said that the concentration of effort on the part of the vocational rehabilitation branch of the Workmen's Compensation Board is to be decentralized as a result of the new employment of trained vocational rehabilitation officers.

Mr. Lewis: How many?

Mr. Speaker: Order.

Hon. B. Stephenson: The number is something close to 30 of those who are going to be outside Toronto.

Mr. Lewis: How many in the north?

Hon. B. Stephenson: I am not exactly sure of the number which are going to the north. All I know is that the areas in which there have been problems in terms of recruiting vocational rehabilitation officers are those upon which the board is concentrating at this point.

Mr. Mancini: I have a supplementary question for the Minister of Labour. In view of the fact that she is now suggesting that she is going to send out more help as far as staff is concerned for the injured workers of Ontario, would she consider sending out more workmen advisers, so that when the injured workers go before the appeal boards at least they have a chance of winning their case?

Hon. B. Stephenson: Yes. The workers' advisers have been of great service, I think, to the injured workers, and this is an area which is being examined. We are trying to find appropriate people to do this. They are very special and dedicated human beings.

Mr. Speaker: May I just point out that the last question wasn't really supplementary because the main question had to do with the conditions in northwestern Ontario, not the general question of the province. Is this a supplementary on that question?

Mr. Angus: Yes, Mr. Speaker, it is. Would the minister not consider having the Workmen's Compensation Board consider the construction of a new wing on to the Westmount Rehabilitation Hospital in Thunder Bay with adequate physiotherapy and occupational rehabilitation facilities so that the injured workers and others no longer have

to be cramped 31 into a rehab room for group therapy?

Hon. B. Stephenson: It's an interesting suggestion which I shall consider. Thank you.

EXPLOITATION OF IMMIGRANT WORKERS

Mr. S. Smith: I have a question also for the Minister of Labour. Is the minister aware of some of the very unfortunate practices whereby illegal immigrants residing in Ontario are employed and are either paid less than their wages would normally be expected to cover or else are exploited in some other way, by being asked to give gifts to their employers or something else as a way of keeping their jobs? Is the minister aware of these practices and could she tell us what her ministry is doing to look into these matters?

Hon. B. Stephenson: The ministry can, of course, investigate such situations when a complaint is lodged with the ministry. If the hon. member does have information about this, the ministry would be grateful to have it. Indeed, we have examined several such situations. The employment standards division is the branch of the ministry which is responsible for insuring that workers are not exploited and action has been taken in some cases. Indeed, illegal immigrants have been assisted through the Department of Immigration, as a result of the assistance provided by the employment standards branch.

But if there are instances of this which any hon. member is aware of, it would be of great help to the Ministry of Labour if we were informed about them so that we could, indeed, act.

Mr. S. Smith: Supplementary: Since the minister, I'm sure, is aware of the sensitivity of the issue, inasmuch as the exploited person is fearful for the loss of his job and is unlikely to come forward to report such things, is the employment standards branch of her ministry taking steps to do spot checks once in a while, taking steps to do any form of inspection or investigation, and, in particular following up some of the recent articles in the newspaper? Is she certain that no companies doing subcontracting work for the government of Ontario engage in this practice?

Hon. B. Stephenson: No, I could not say at this point that I am certain this does not

happen. I do not believe that it happens because, indeed, the employment standards branch has been active in that specific area. Also, employment standards officers do inspect those companies which have perhaps had a bad reputation in the past for certain types of exploitation. But I would repeat that it would be of great help to the Ministry of Labour if any member of this House knows of any case, or knows of any company, in which this is happening, because it would assist us in our investigation.

HOUSING STARTS

Mr. S. Smith: A question for the Treasurer: Is he aware of the preliminary data released by CMHC which indicates that urban housing starts in Ontario were 44 per cent lower in March of this year than a year earlier; and that the data also indicates a trend for the period from January to March showing an annual decline in urban starts of 32 per cent in Ontario, compared to the national decline of 18 per cent?

In view of this, is the Treasurer prepared to explain why there is nothing in his budget to encourage the construction of more housing, particularly at the affordable level? We are lagging behind the rest of the country.

Hon. Mr. McKeough: No, I'm not aware of the data. I'll be glad to have a look at it. I indicated in the budget that I think the log jam in housing starts, if I can put it that way, is created, in part, in two ways—and this is true across Canada as well as in Ontario.

The year 1976 turned out to be a stronger year than anybody expected. In the budget a year ago, I think we indicated that we thought starts would be somewhere around 80,000 units. We felt that we were being awfully optimistic and so did the Minister of Housing. But as it turned out, there were something like 85,000 starts in Ontario in 1976. I've forgotten the Canadian figures but they were far, far higher than anyone had anticipated.

That, naturally, has spilled over into 1977; and what you see here in Toronto has also been true in a number of other municipalities where there have been a great number of unsold units. I think the figures for January-February indicated that there were something like 20,000 unsold units in the Metro area, which was an all-time high. We've been encouraged, and the Minister of Housing has been encouraged, that those units have started to move in the last month and a half

and the housing market is brisk. This is, I think, a catch-up from the rather more intense activity of last year and also reflects, of course, the fall in mortgage interest rates from over 12 per cent, in some instances, down to very close to 10 per cent.

There is some feeling I think, too, that interest rates may go lower, perhaps below 10 per cent and there may be some reluctance, therefore, on the part of buyers or builders to proceed too quickly. But with improving sales and an increase in the housing market generally across the province in terms of clearing out some of the inventory of unsold homes, then it would be my expectation that starts would follow that. It would be a rather bold builder, large or small, I think, who would be plunging in and taking out building permits today or a month ago with the number of unsold units there were in this area particularly. And that is true in a number of other areas across the province. However, I will be glad to examine the data in question.

Mr. S. Smith: By way of supplementary, in view of the Treasurer's answer, am I correct in assuming that most of the unsold houses to which he refers are in what one might call the middle or upper price range, whereas the need for housing starts would be in the affordable range? I would like the figures on that.

The other aspect of my supplementary question is with respect to the Comay report which the government commissioned and which said that 100,000 starts were needed annually for 10 years to avert a crisis. Does the Treasurer still feel that that particular figure is a correct target, in which case the seasonally adjusted figure this year aims at only 42,000? If the trend continues, how does he expect it to work out?

Hon. Mr. McKeough: I think that is a question that should properly be put to the Minister of Housing. My own personal view is, yes, it is too high in terms of somewhat lesser expectations in terms of population growth—

Mr. Lewis: Except for Barrie.

Mr. Speaker: Order.

Hon. Mr. McKeough: —and in terms of a decline in interest rates which hasn't moved housing as much as one might have expected from a year ago. I would suspect probably that Mr. Comay's figure was a little high. But perhaps the member might like to redirect that to the Minister of Housing.

Ms. Bryden: A supplementary to the Treasurer: Is he aware that at the Ontario Economic Council conference last Monday Mr. Rene de Cotret of the Conference Board predicted there would be a 14 per cent drop in housing starts in Ontario and not more than 74,000 units started? Does he accept this prediction?

Hon. Mr. McKeough: We said in the budget we thought that there would be about 80,000 starts. That is our number. As I said last year, we estimated 80,000 starts and it turned out to be 85,000 starts. I will be very surprised if the number of starts this year are bang on our prediction.

Mr. Deans: I will be surprised if anything is bang on your prediction.

Hon. Mr. McKeough: I think that is something that we will have to wait and see. But Mr. Rene de Cotret may be right. I think his number is a little low.

CORE CURRICULUM

Ms. Gigantes: A question of the Minister of Education: As the public is under the impression that the much-touted new core curriculum guidelines would be in place for the school year 1977-78, could the minister specify for us the dates of mandatory implementation of the new core curriculum guidelines, particularly those for mathematics?

Hon. Mr. Wells: The mathematics core curriculum guidelines will be phased in over the next couple of years.

Ms. Gigantes: Supplementary: Does that mean they will not be mandatory come this fall or indeed even the fall of 1978?

Hon. Mr. Wells: That is correct. In working with the mathematics teachers of this province and in allowing for a feedback from the teachers on the new curriculum, which represents some major changes because there have been no changes in the mathematics guidelines for quite a number of years, in working with the teachers' federation and the teachers, we devised a process that would allow a phasing in and validation period, which I think is to the benefit of students, teachers and all concerned.

Mr. S. Smith: By way of supplementary, if there is a validation period to which the minister refers, can he tell us what form of standardized, province-wide test procedure will be used in the validation procedure for the new mathematics guidelines?

Hon. Mr. Wells: As my friend knows we are awaiting the report of a task force on evaluation and reporting. When I get that report from that group, I will then know what kind of suggestions have been made in this area. They will then be considered and any change or any new directions in that area will be announced at that time.

Mr. S. Smith: That is a validation period with no means of measuring it.

Hon. Mr. Wells: I suggest the member talk to all the math teachers of the province and they will tell him the kind of validation they are going to carry on.

Mr. S. Smith: You are the minister, you talk to them.

Ms. Gigantes: I would like to ask the minister if it isn't true that this process we are going through right now is not one whit faster than the process that was under way before he announced the new core curriculum guidelines last fall, and that the new core math guidelines will not be in place one month faster than they would have been had you not made his announcement last fall.

[10:30]

Hon. Mr. Wells: That is not correct at all. In fact, that is absolutely wrong. If I hadn't made my announcement last fall there wouldn't have been anybody working on new math guidelines.

Mr. Speaker: Order, please. Is this a supplementary or is this a new question?

Mr. Sweeney: Supplementary first and then a new question later.

Hon. Mr. Davis: Are we going to have a social contract this morning?

Mr. Sweeney: Supplementary: If, as I understood the minister's direction from last fall, mathematics are now going to be compulsory for at least grade nine students and he is not going to have the new guidelines in place, what is going to be compulsory? What is the content of the compulsory course?

Hon. Mr. Wells: The school boards have been sent a memo indicating the guidelines that are in effect. These list the compulsory math subjects for grade nine and 10 that they can use for next year. They will begin an implementation process and a melding of the two guidelines together throughout the year.

My friend knows that the one thing we have always done in this ministry is work in

co-operation with those people who have to deliver the service.

Mrs. Campbell: You sure do.

Hon. Mr. Wells: We are moving ahead with guidelines faster than we ever have in this ministry, but more time is being taken on these guidelines than some of the guidelines that took two and three years to prepare, because teachers and other writers have spent a very concentrated time working on them.

Interjection.

Mr. Speaker: Order, please.

Hon. Mr. Wells: In working with—now that is not right.

Mr. Speaker: Order, please.

Hon. Mr. Wells: That is absolutely not right.

Mr. Speaker: Order, please. Will the hon. minister ignore the interjections.

Hon. Mr. Wells: If my friend can show me where the mathematics—

Interjection.

Mr. Speaker: Order.

Hon. Mr. Wells:—guideline committee was put in place before we made our announcement I would like her to show it, because these new guideline committees—the intermediate guidelines in the mandatory subject areas—were set up after my statement was made.

PSI MIND DEVELOPMENT INSTITUTE

Mr. Sweeney: I have a question of the Minister of Health dealing with the Psi Mind Development Institute. Firstly, what does his ministry know about this institute? And secondly, what is he planning to do, given the kinds of dangerous practices which they are engaging in?

Hon. Mr. Timbrell: Mr. Speaker, the Minister of Consumer and Commercial Relations, through his staff, has taken a look at this particular organization as it pertains—I forget the exact legislation that pertains to them. The matter has only just been referred to us, I think in the last 36 hours, from Consumer and Commercial Relations to see if we feel we have a role to play in it. I might say I have started some discussions with my staff about it.

But in addition to some concerns I might have over the reports about this particular organization, I have some concern about where you draw the line in establishing the kind of control that I think my hon. friend is referring to—the kind of control over organizations, be they religious or otherwise, that deal supposedly with the development of one's mind.

Mr. Sweeney: Supplementary: My supplementary has to do with actual fact. Does the minister's report include the information that there are three young people from the city of Kitchener who have been "processed" by this institute through the use of illegal hypnosis and verbal and physical abuse to the extent they have ended up in the London Psychiatric Institute and we have been advised they will be there for at least four or five months? That's dangerous. That's a health problem. What is the minister going to do about it?

Hon. Mr. Timbrell: I have asked for reports on those three young people. I am not trying to arrive at a conclusion one way or the other yet, but I think what the member is trying to say is that those three young people would not have had a problem except for Psi. I don't know that yet. Certainly if it can be shown to be, then we have to see what we can do about it. The Hypnosis Act is perhaps available to us, although I am told that it has never been used before.

Mr. Breithaupt: Supplementary: When the minister is pursuing this particular matter, will he and his staff ensure that there are procedures developed by the ministry with respect to these various mind development courses so that the courses from a health point of view are conducted not only in an ethical manner but taught by qualified personnel?

Hon. Mr. Timbrell: That is a matter of concern to me, Mr. Speaker, because of personal experiences over the years with former students of mine who had become involved with various organizations. The difficulty—and I think the hon. member will appreciate this—is that many of these organizations purport to operate as a religious cult. I have some difficulty—I think we all do—in trying to define the line of demarcation between what in fact is a legitimate religious experience and what in fact is something that could be harmful to the individual. That obviously has to be of concern to all of us and it is a matter which I am taking

up, initially because of this one but in a general sense.

HURONIA REGIONAL CENTRE

Mr. G. E. Smith: I have a question for the Minister of Community and Social Services. Is the minister aware of the local criticism that the recommendations of the Willard report as they apply to the Huronia Regional Centre are not being implemented, particularly the recommendation for an increase in staff ratio between the professional staff and the residents? Perhaps the minister would comment.

Hon. Mr. Norton: The concern that the hon. member has expressed is not based upon fact, Mr. Speaker. To date, substantial progress has been made with regard to implementation of the recommendations in the report of Dr. Willard. My recollection from my most recent checking on the progress is that well over half of the recommendations have now been implemented or are substantially towards full implementation. The balance of the recommendations are under active study and I am being kept abreast of the progress there.

With respect specifically to the question of staff ratio, the hon. member may recall the recommendation of Dr. Willard was that we move towards the 1971 revised standards for staffing of the American Association on Mental Deficiency. We are moving in that direction, although we have not yet achieved the 1971 standards. The way in which we are approaching it, as the hon. member knows, is that we are working towards the reduction of the number of residents in Huronia and, as the number of residents is reduced, we are trying to maintain staff; so through that process the staff ratio is constantly improving. I'm pleased to report that the progress since Dr. Willard's report has been very substantial.

Mr. G. E. Smith: Supplementary: Could the minister then explain why 76 employees of the Huronia Regional Centre have been laid off recently and no longer work there?

Hon. Mr. Norton: Although I'm not familiar with each of the individual cases the hon. member raises, it's my understanding that the persons who have been laid off are not persons generally who are involved in direct care within the facility. Certain programmes in the facility have been phased out—for example, the farm operation has been phased out and so on—so that a number of staff reductions that have taken place involved per-

sons who have been employed in those programmes that no longer exist. They are not professional staff who have been removed. In many cases they were not full-time staff but were staff who were on a temporary contract basis.

Ms. Sandeman: Supplementary: Could the minister then tie in for us the number of residents of Huronia who have been relocated and make some comparisons with the number of staff who have been let go and the final staff-patient ratio at the moment?

Hon. Mr. Norton: I don't have the specific figures that the hon. member asks for at this point. I would be quite happy to undertake to get those to her immediately after the House rises today. The present number of residents at Huronia, I believe, is just under 1,200. That, I think, is substantial progress if one considers that a few years ago the population there at one time was, I believe, in excess of 2,600.

Mr. Lewis: You have a great voice. Lousy answers but a great voice.

CHILD WELFARE

Mr. McClellan: I have a new question for the Minister of Community and Social Services. Has the minister's staff brought to his attention the remarks of the Provincial Secretary for Social Development (Mrs. Birch) in the estimates debates on Monday, April 25, with respect to the three cases from the Peel Children's Aid Society described in the application brief for a judicial inquiry into the administration of The Child Welfare Act? Has the minister seen her remarks?

Hon. Mr. Norton: No, Mr. Speaker, I haven't.

Mr. McClellan: The minister has some staff!

The provincial secretary said, and I quote: "I'm very concerned, for example, about the three case histories that you spoke about. I personally have read them. Like you, I have read all the documentation too, and I feel heartsick that in this day and age in the province of Ontario any child is subjected to that kind of treatment who needs the protection." In view of those remarks, let me ask the minister, does he intend to establish a judicial inquiry or not?

Hon. Mr. Norton: As I told the hon. member not long ago in the House, the matter is under investigation by my ministry. I have not yet received the report from my staff—

Mr. McClellan: I'm not surprised at that.

Mr. Speaker: Order.

Hon. Mr. Norton: —on the specifics of the cases to which the hon. member referred. But I concur entirely with the views of the provincial secretary, as he related them. As soon as I have that report and have an opportunity to evaluate that, along with the information which I have now received from the last meeting with Mr. Wilson, I believe, then I will give it my immediate attention. I hope to have that report, if not today, then Monday.

FAMILY BENEFITS

Mr. B. Newman: I too have a question of the Minister of Community and Social Services. Is the minister considering the minimizing of the time lapse between the application and the granting of FBA, family benefits? Will he also consider making the family benefits applicable from the date of the application rather than from the date of the approval as it is at present, in the light of the fact that it imposes a tremendous burden on the municipalities where they have to provide welfare during that lapsed period of time?

Hon. Mr. Norton: With respect to the first part of that question, I have asked my staff to do everything possible to expedite the applications for family benefits. With regard to the second part of the question, I will pursue that with the staff to find out whether at this point we could do something to improve that situation as well.

Mr. B. Newman: Supplementary: In an effort to expedite the problem, is the minister considering decentralizing the decision-making?

Hon. Mr. Norton: At the moment, there is a pilot project under way involving the installation of four computer terminals in four selected municipalities within the province to try to speed up the information exchange and to expedite the processing. I can say quite frankly to the hon. member that one of the matters that I discussed as recently as this week with senior management in my staff was the question of ways in which we might proceed to further decentralization of the decision-making process. That was discussed on a very preliminary basis. I have asked that it be brought back so that we can continue to pursue that as a possible way of improving the service.

Mr. Lewis: You can always go on an open-line show. You have a really good voice.

Mr. Speaker: Order. The hon. Minister of Labour has the answer to some questions.

Hon. B. Stephenson: I have the answers to three questions, Mr. Speaker, and they're not particularly long. Could I give all three at this time?

Mr. Speaker: It depends on how long they are. We try to divide the time as fairly as possible.

KAYSON PLASTICS

Hon. B. Stephenson: First, the hon. member for Cambridge (Mr. Davidson) asked me yesterday about medical examinations of employees in a plant in Cambridge. I was in error, Mr. Speaker. I confused the name of that plant with another which is, in fact, involved in similar kinds of activities in which medical examinations have, indeed, been carried out. I am aware that there was an inspection of that plant in December 1976. I have not had a report on the follow-up to that inspection as yet, and shall so inform the member who is unfortunately not here.

[10:45]

ONTARIO MALLEABLE IRON

Hon. B. Stephenson: On April 25, I believe it was, the hon. member for Oshawa (Mr. Braugh) inquired about the activities of the Ministry of Labour on behalf of the employees of The Ontario Malleable Iron Company. The Ministry of Labour has been in touch on several occasions with the federal agency responsible for UIC and in spite of somewhat supplicant questions, the Unemployment Insurance Commission has decided that this group does not qualify for an extension. There are certain grounds for extension but a strike or lock-out is not one of them and, therefore, they are unwilling to grant an exemption in this case.

However, the hon. member also asked me whether the Ministry of Labour was involved in other activities; and, indeed, since the announcement made by the company the ministry has been in constant contact with both the union and the company in an attempt to establish an MAIA, an assistance programme for the employees of that plant. The company has accepted—at first they did

not agree with, and would not accept, the programme—but now we're having a little difficulty with the union. But both the federal Department of Manpower and the Ministry of Labour of the province of Ontario stand ready to assist the employees in finding employment adjustment in that area.

The other question is rather longer, Mr. Speaker.

Mr. Speaker: I think we'll leave that until the next time around, then. Thank you very much.

TORONTO ISLAND AIRPORT

Ms. Bryden: I have a question for the Treasurer: The mayor of Toronto asked, as far back as November 1975, for the Treasurer to comment on the regional impact of the proposed alternative uses for the Toronto Island Airport, including a possible STOL port. In view of the fact that the Treasurer replied on November 7, 1975, that he had instructed his staff, and I quote, "... to review the results of the Toronto Island Airport study as they appear from time to time, and supply the working group with any relevant comments on the implications of these results for the province's regional planning programme," could the Treasurer tell us when he is going to provide these comments, now that the study is completed and a public meeting on it is scheduled for May 13 and 14?

Hon. Mr. McKeough: I received that letter from his worship the mayor a day or so ago and I haven't seen my staff's comments on it. But I think there has been some misunderstanding. We have made whatever viewpoint we have known to the Ministry of Transportation and Communications and, as I understand it, will not be supplying any direct input.

Ms. Bryden: Well then, the people attending the public meeting on May 13 and 14 will not know what the Treasurer's comments are or what he feels, and how this affects his regional planning programme.

Hon. Mr. McKeough: No, I wouldn't say that. I think that what we have to say is brief enough and will be expressed by the Ministry of Transportation and Communications.

TOWNSHIP OF MALDEN INQUIRY

Mr. Mancini: I have a question for the Treasurer: The Treasurer's statement con-

cerning the public inquiry into the affairs of the township of Malden states on page four that the first and second recommendations, which I consider to be the main thrust of the report, are going to be left up to the council for their implementation. Does the Treasurer not feel that the same type of report could have been rendered by an inquiry of the ministry? In this way, the direct costs of the inquiry would not have to be borne solely by the taxpayers of Malden township.

Hon. Mr. McKeough: I am saying that I am content to leave action on these two recommendations to that council at this time. Obviously, if they don't take action on it, then it may be necessary for us to do so. The matter of cost is something we have under consideration.

Mr. Mancini: Could the Treasurer inform the House of the exact cost of the inquiry and could he also inform the House if the same type of inquiry could have been carried under the title as an inquiry of the ministry, as was suggested by some people?

Hon. Mr. McKeough: I am sorry, I can't indicate what the costs are. I don't know if they're known yet—definitively. I wouldn't agree that it would necessarily have been appropriate to have a provincially-initiated inquiry of a different sort—a royal commission or a commission under The Public Inquiries Act. I think we have generally handled these matters in the way we handled the Malden inquiry and I see no reason to change that.

Mr. Mancini: Supplementary: Is there any possibility that the province may be able to assist the taxpayers of Malden in the payment of this inquiry?

Hon. Mr. McKeough: Not until I know what the costs are. I've thought about it, as I said, and this is something that is under consideration.

Mr. Speaker: The Minister of Labour may give a final answer.

ROCKWELL INTERNATIONAL

Hon. B. Stephenson: On April 18 the hon. member for Windsor-Walkerville inquired of me about the closing of the Rockwell International plant in Windsor. As a result of investigations, I have discovered that there were, apparently, in the company's mind, valid reasons for closing this plant. The shutdown, I gather, is permanent, the

reason being that the wage rates of the United States competitors were significantly lower than those paid to employees in Windsor. In addition to that, the company was having great difficulty since it produced cold rolled and stainless steel wheel covers, competing with the changing preferences to plastic and aluminum wheel covers. The company, therefore, feels that this plant is no longer a viable institution and must be closed.

An employment adjustment programme was established with both the company and the union. The Ministry of Labour and the Department of Manpower and Immigration are involved in this activity and the committee will be offering assistance to all of the employees of the plants.

The pension rights do not really fall under the jurisdiction of the Ministry of Labour. They're really under the jurisdiction of the pension commission, but there are certain provisions made under The Pension Benefits Act to provide protection to employees' benefits in situations like this when a company closes and the existing pension plan is terminated. Arrangements that the company makes with their employees regarding the pension plan really is subject to approval of the pension commission.

Mr. B. Newman: Supplementary: Did the minister ask the company to prove their figures when they made mention to her that they could manufacture the product cheaper in the United States than they could in Canada, or did she simply accept their word?

Hon. B. Stephenson: No, it was not simply a matter of the cost of production being higher in Canada. It was also a very rapidly decreasing market and that was the major problem actually.

GANG VIOLENCE

Mr. Deans: I have a question of the Attorney General dealing with the matter of crime in the city of Hamilton. I wonder if he would care to explain to the House what action he might take in response to some matters which I raised with the Solicitor General (Mr. MacBeth) and the following response? And it's not the full response, obviously, because of the time.

The Solicitor General said: "Some difficulties have been encountered in coping with the activities of gangs. In many cases, persons who have been victimized by gang members are reluctant to lay charges or give evidence

in court. When members are arrested, they are invariably released within a very short period of time to await trial, sometimes months. The courts have shown a tendency to be very sceptical about imposing a term of imprisonment when such persons have been convicted."

The Solicitor General is of the opinion that some action should be taken by the Attorney General and the federal government in order to bring about a satisfactory resolution to what is becoming a severe problem for citizens in the Hamilton area.

Hon. Mr. McMurtry: We have been in touch with the Crown attorney, Mr. Takach, in Hamilton. Some six weeks ago, he had a meeting with some of the—

Mr. Conway: Spit it out.

Hon. Mr. McMurtry: —family court judges to indicate the seriousness of the situation insofar as the matter relates to juveniles and to express the general concern of the community.

Mr. Deans: Not only juveniles.

Hon. Mr. McMurtry: No, I'm just dealing first of all with the juvenile aspect of it. With respect to people who will be appearing in the adult court as adults, the Crown attorney is very determined to prosecute these cases very vigorously. As a matter of fact, Mr. Harvey McCulloch who, as the member will recall, is a long-time Crown attorney in the Hamilton area, has been given specific responsibility in this area.

Furthermore, in one case—I believe it had to do with an obstruction of justice conviction—where an allegation of interfering with a witness was proved, a sentence of 30 days was given. In our view this was wholly inappropriate and we have appealed that sentence, so I can assure the hon. member that so far as the Crown attorney's office is concerned, we are going to act as aggressively as possible.

In relation to the matter of bail and these people released on bail, under The Bail Reform Act there is a very heavy onus on the Crown that must be satisfied to deny an individual bail. I would think in general terms the member would agree with the principles behind that legislation, but it does make it very difficult to deny bail to an offender and, as I say, in most cases for very good reasons, so it would be up to the federal government, of course, to amend The Bail Reform Act.

My own personal view is that it would not serve a useful purpose to amend what is

generally good legislation in order to allow you to be tougher against a select group of people. I mean it would not be in the interests of the whole community. It's a matter that we are continually reviewing, and of course I think the police themselves have to be prepared to allocate sufficient resources to investigations and the obtaining of evidence upon which we can convict people.

It is not just a question of keeping people in jail pending their trial. It is a question of convicting them at the trial. I am confident that the local Crown attorney's office, together with the police, are totally aware of the seriousness of the situation and will do everything within the law to discourage this type of activity.

Mr. Deans: A supplementary question: What would the Attorney General and the Solicitor General do, what kind of action can we expect from either or both of them, in view of statements such as, "In many cases persons who have been victimized by gang members are reluctant to lay charges or give evidence in court"? What kind of protection can we afford citizens to guarantee them that they are not going to be victimized outside the courtroom, or in their homes, or on the street, by others related to the gang members or other gang members who simply want to exact retribution?

What possible excuse can there be for one law officer of the Crown saying to me about the system of another that the courts have shown a tendency to be sceptical about imposing a term of imprisonment when such persons have been convicted? I mean that's nothing to do with the Crown attorney, I admit. It may have nothing to do with the police but, good God, it has got something to do with the courts and protecting people.

Mr. Mancini: Save that for the campaign.

Hon. Mr. McMurtry: I don't know whether the hon. member opposite is just sort of launching some sort of attack on the judiciary in that area, because as he knows—

Mr. Lewis: We just want law and order.

Hon. Mr. McMurtry: Just pay attention.

Mr. Deans: Mr. Speaker, on a point of order, I am not launching an attack on anyone. I am reading from a letter written to me by the Solicitor General.

Mr. Singer: That is not a point of order at all.

Hon. Mr. McMurtry: It certainly sounds like an attack.

Mr. Lewis: Is the Solicitor General launching an attack on the judiciary?

Hon. Mr. McMurtry: I am confident that the judiciary in that area—

Mr. Speaker: Order, please.

An hon. member: Sit down.

Mr. Germa: Don't you know the rules of the House? Smarten up.

Mr. Speaker: Does the hon. Attorney General have a further answer to the question?

An hon. member: A serious one.

Hon. Mr. McMurtry: Mr. Speaker, I am confident that the judiciary in the Hamilton-Wentworth area are well aware of the seriousness of the situation and that the concerns of the community will be reflected in the disposition of the cases that come before them.

Mr. Cunningham: Supplementary: Given that several members of the Hamilton-Wentworth police force have, in fact, themselves been victimized by this gang and have been beaten up, would the minister not agree that this particular situation is out of control?

Hon. Mr. McMurtry: No.

SOUTH CAYUGA LAND ASSEMBLY

Mr. G. I. Miller: Mr. Speaker, I have a question for the Minister of Housing. Is it true that land is being offered for sale to the farmers from the South Cayuga townsites?

Hon. Mr. Rhodes: I have no idea, Mr. Speaker. I do not handle the sale of land nor have I any responsibility for the South Cayuga site.

[11:00]

Mr. G. I. Miller: Supplementary: Does the minister have any plans for the use of land on the South Cayuga townsites? Will the region have input into these plans?

One further question: Will there be long-term leases if it continues to be used for agriculture—say up to 20 years as the term of the lease?

Hon. Mr. Rhodes: Mr. Speaker, the hon. member is having some difficulty hearing what I said. I do not have the responsibility for the South Cayuga land so I cannot tell him what it's going to be used for.

Mr. S. Smith: Redirect it, smart aleck.

Hon. Mr. Rhodes: I'm not being a smart aleck, and if anybody recognizes one and should attempt to be smart, it's you. You've got a great deal of difficulty, I'll tell you.

Mr. Speaker: Order, please.

Hon. Mr. Rhodes: I certainly wouldn't spend my last day in this House sitting there acting like that.

Mr. S. Smith: Redirect the question, that's all.

Mr. Speaker: Is there a further answer?

Hon. Mr. Rhodes: Mr. Speaker, I understand that in fact we are extending long-term leases to the farmers in the area on that land. I say to the hon. member, and not in a smart-alecky manner, that he could direct his question perhaps to the Treasurer who has responsibility for that land.

Mr. S. Smith: You could have said that in the first place.

Hon. Mr. Rhodes: I said it in the first place. I hope you come up, Stuart. I really do.

Mr. Speaker: Is there a supplementary to that? Did the hon. minister redirect the question? The hon. member cannot do it. Does the hon. minister redirect the question?

Mr. S. Smith: Yes, he did.

Mr. Speaker: Does the hon. minister redirect the question to another minister?

Hon. Mr. Rhodes: I certainly will redirect the question.

Mr. Speaker: Does the hon. Treasurer have any elucidation to this?

Hon. Mr. McKeough: Mr. Speaker, if the question is, are we selling some land: not to my knowledge.

FARM MARKETING BOARDS

Mr. MacDonald: Question of the Minister of Agriculture and Food: In view of the growing range of attacks on farm marketing boards, and of the official interpretation of the Canadian Federation of Agriculture that the new Competition Act is going to render some if not all of the activities of the farm marketing boards illegal, what is this government going to do to stand up and be counted in a very vigorous way in support of farm marketing boards and in support of the prin-

ciple of national marketing agencies to co-ordinate the work of those provincial boards?

Hon. W. Newman: Mr. Speaker, I appreciate that question because we already have acted. I suggest the member listen to CFRB on Sunday morning to hear my comments about the competition bill—

Mr. Deans: Why should he listen to the radio to get your answers?

Mr. Speaker: Order, please.

Interjections.

Hon. W. Newman: Let me finish. Nobody is more concerned about the competition bill that's been introduced in Ottawa than I am. I have come on very strong and I've always supported our marketing boards—

Mr. MacDonald: You always come on strong.

Mr. Speaker: Order, please.

Hon. W. Newman: I have always supported our marketing boards in this province, and I will be personally leading a delegation, even if it's during a certain campaign that may come—

Interjections.

Hon. Mr. Rhodes: Statement of fact.

Hon. W. Newman: —I shall be leading a personal delegation to the committee to put forward our concerns about the competition bill, because that's one of the cases where the federal Minister of Agriculture and I stand foursquare—to support marketing boards in this province.

Mr. Singer: Did you have shouting practice this morning before campaigning?

Mr. MacDonald: Supplementary: Does the government here support the minister like the government in Ottawa supports Gene Whalen?

Hon. W. Newman: The member will find out in the fullness of time.

Mr. Lewis: Even if the minister loses, we should have him back as House mascot.

STORM-DAMAGE ASSISTANCE

Mr. Kerrio: I have a question of the Treasurer: Would the minister recall a visit by the Premier to the Niagara Peninsula right after the severe snowstorms that we

had there? If he would recall, the Premier had a meeting behind closed doors and excluded the member for Erie (Mr. Haggerty) and myself from attending this meeting—

An hon. member: Shame, shame. Shame on you guys.

Hon. Mr. Welch: On a point of order, Mr. Speaker. That is not true. That meeting was in the hands of the region, and the region made the determination as to how that meeting was run. The member knows that.

Mr. S. Smith: Who appointed the regional chairman? The regional chairman is a well-known Tory, and you know that.

Hon. Mr. Bernier: What a way to go down.

Mr. Ruston: Got all your Wintario cheques ready to go in the campaign, Bob? It will be \$45 million.

Hon. Mr. Norton: Is this going to be another whisper campaign?

Mr. Speaker: Order, please. The hon. member for Niagara Falls will continue his question.

Mr. Kerrio: Mr. Speaker, apologies seem to be in order. I'm sorry, it may not have been the Premier that excluded us, it may have been regional government. Be that as it may—

Hon. Mr. Welch: There is a difference.

Mr. Speaker: Will the hon. member just place his question?

Mr. Kerrio: Does the minister recall that such a meeting took place, and my question now is—

Mr. Good: Probably the member for Brock (Mr. Welch) was there.

Mr. Kerrio: The member for Brock was included, yes, sure.

Mr. S. Smith: He is special because he signs letters so well.

Mr. Speaker: Will the hon. member just ask his question, please?

Mr. Kerrio: My question to the Treasurer is: In view of the severe costs that the Peninsula were put to during this emergency, has he reached a resolution—and will he tell this House what that resolu-

tion is—in the matter of some help in funding that very severe problem?

Hon. Mr. McKeough: Mr. Speaker, that's a question that should be put to my colleague, the Minister of Transportation and Communications (Mr. Snow) who, as I recall, announced in this House the decision as to how we would help; I believe to a maximum of something like \$5 million.

So to ask whether we have reached a resolution, the answer is yes, and it was announced and the municipalities have been informed, and I suppose are making claims. Perhaps money has been paid by now. However, having said that, I should point out that the member for Brock has been on the doorsteps of both the Minister of Transportation and Communications and myself—

Mr. Kerrio: The media were not allowed in; the press was not allowed in.

Hon. Mr. McKeough: —not behind closed doors, he has come to us openly and said, "Would you have another look at this?" The Minister of Transportation and Communications and I—and the Premier—are preparing to take another look at it; and we, in fact, are going to be meeting with the regional chairman and I believe five of the mayors.

Mr. Conway: And with the member for Brock?

Mr. Speaker: Order, please. I think the question has been answered.

Mr. Kerrio: A supplementary: In view of this kind of fiasco, isn't it time that we had some kind of special legislation? Would the Treasurer consider legislation like they have in the United States of America where in such emergencies there is a vehicle in place to handle them without the people coming begging to the government?

Hon. Mr. McKeough: Mr. Speaker, there very definitely are vehicles in place, if that's the term, and assistance has been provided and is provided; but we don't want some sort of a rigid formula, and some sort of rigid legislation which is not going to allow us to give assistance in particular circumstances.

Mr. S. Smith: Just a Conservative Party card.

Hon. Mr. McKeough: Obviously our assistance and the assistance of the government of Canada—

Mr. Warner: What a disaster.

Hon. Mr. McKeough: —will vary in form and type, and in my view it would be wrong to put some sort of inflexible, rigid legislation in place, which would not serve the interests of the people well—recognizing, of course, that the Liberal Party likes rigidity and inflexibility.

Mr. S. Smith: Your party likes charity.

Mr. Speaker: The oral question period has expired.

Mr. Singer: It expired before it started.

Mr. Lewis: It looks like the Treasurer has practically expired.

Mr. Speaker: Petitions.

Mr. Godfrey: Mr. Speaker, I wish to present a petition to the Premier asking that he hold a commission of inquiry into the effectiveness, cost benefits and problems of regional government—

Mr. Speaker: Order, please. If this is a petition to the Premier it is not a petition to the House per se.

Mr. Breithaupt: Give it to the Premier.

Mr. Speaker: Is it a petition to the House? How is it worded?

Mr. Godfrey: —a commission of inquiry into the effectiveness, cost benefits and problems of regional government in Durham, with approximately 1,000 names appended.

Mr. Speaker: It seems to me, from the member's earlier words, that it is not a petition to the House if it is addressed to the Premier.

Mr. Breithaupt: So send it to the Premier.

Mr. Speaker: If the hon. members would check into the regulations concerning petitions, we shouldn't have a recurrence of this. You may deliver that directly to the Premier, if you so wish, but it doesn't seem to be in order.

REPORTS

Mr. Deans, on behalf of Mr. Renwick from the standing administration of justice committee, presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bill without amendment:

Bill Pr27, An Act respecting the Perfume and Cosmetics Bars Limited.

Mr. Gaunt from the standing general government committee presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bills without amendment:

Bill Pr8, An Act respecting the Borough of Scarborough.

Bill Pr21, An Act respecting the Borough of North York.

Mr. Gregory: Mr. Speaker, I beg leave to present a report.

Mr. Ruston: Swan song.

Mr. Grossman: Can you believe it?

Mr. Gregory: I'll be back.

Mr. Grossman: You're damn right he will.

Mr. Gregory: I'm sorry I won't see you though.

Mr. Grossman: Half of you guys will too, don't worry.

Mr. Speaker: Order, please. The member for Mississauga East has the floor.

Mr. Gregory: You're going to find out.

Mr. Grossman: Ask your candidate in Mississauga, whoever he is.

Mr. Lewis: Who are you?

Mr. Bullbrook: That's Jules Morin.

An hon. member: That's Bob Johnston.

Mr. Grossman: Your candidate hasn't heard of himself. Look how hard he works.

Mr. Speaker: I will recognize the member for Mississauga East to present a report.

Mr. Bullbrook: That's not nearly as heavy as the Singer report.

Mr. Grossman: Yes, but he's not a lawyer.

Mr. Gregory presented the final report of the select committee on highway transportation of goods in Ontario.

Mr. Gregory: The terms of reference and the time limits assigned by the Legislative Assembly to this select committee posed a substantial challenge to members and staff. The members of the committee approached the task with vigour and a sense of purpose

that enabled them to complete and table an interim report, both on time and with unanimity. This final report is quite extensive and presents an in-depth investigation into the highway transportation of goods in accordance with our terms of reference.

The committee was fortunate in having the services of a very competent staff whose names are listed in the report. I would like in particular to commend our counsel, Mr. Max Rapoport, QC, and our director of research, Mr. Brian Caldwell. It was because of the work of these two gentlemen that the committee was able to cope with such a complex subject. Mr. David Callfas, assistant clerk of the Legislative Assembly, assumed enormous responsibilities not only in scheduling the many hearings across the province and abroad, but also in taking care of the physical arrangements for the committee.

I congratulate the members for their ability to work well together and thank them for making the position of chairman a very rewarding experience.

Mr. Speaker: Motions.

INTRODUCTION OF BILLS

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Bounsall moved first reading of Bill 74, An Act to amend The Employment Standards Act, 1974.

Motion agreed to.

[11:15]

Mr. Bounsall: The purpose of this bill is to reduce from 48 to 40 hours in the week as the time beyond which overtime becomes voluntary. In addition, it would require employers to pay overtime for work done in excess of 40 hours per week rather than the present 44. The bill also ensures that these provisions cover those persons who are employed in the growing of flowers for the retail and wholesale trade and persons performing home work.

Mr. Breithaupt: Do you mean students?

LABOUR RELATIONS AMENDMENT ACT

Mr. Bounsall moved first reading of Bill 75, An Act to amend The Labour Relations Act.

Motion agreed to.

Mr. Bounsall: The purpose of this bill is to provide four criteria for the reopening of a contract during its lifetime. These provisions are:

1. The making, giving or issuing of an order, direction or notice against any employer under any Act for health and safety reasons;

2. The changing or proposed changing of production standards at the place of employment;

3. The introduction or proposed introduction of technological change at the place of employment; and

4. The contracting out to other persons of work which would ordinarily be carried out by the employees of that employer.

NON-RETURNABLE BEVERAGE CONTAINERS ACT

Mr. Riddell moved first reading of Bill 76, An Act to prohibit the Use of Non-Returnable Beverage Containers.

Motion agreed to.

Mr. Riddell: The purpose of this bill is to provide an alternative to the government's recently announced five-cent tax on cans, which will simply subject people to yet another financial hardship and will not resolve the pollution problem. This bill will require sellers to refund a deposit when containers are returned, which does provide an incentive to the people of Ontario to keep our province beautiful and free of pollution.

Mr. S. Smith: That's what you call a proper bill.

Interjections.

Mr. Speaker: Order, please.

Mr. Bullbrook: Wait a minute. He is an auctioneer. He will take care of our people.

Mr. Speaker: Order, the hon. minister and the hon. member for Sarnia, please.

Mr. Bullbrook: I'm sorry about that, Mr. Speaker.

Mr. Singer: The minister isn't sorry.

TERRITORIAL DIVISION AMENDMENT ACT

Mr. Bain moved first reading of Bill 77, An Act to amend The Territorial Division Act.

Motion agreed to.

Mr. Bain: This bill transfers the townships of Black, Benoit, Melba, Bisley, Clifford, Ben Nevis and Pontiac from the district of Cochrane to the district of Timiskaming, in keeping with the wishes of the people of those townships. It is unfortunate they were not originally consulted when they were transferred to the district of Cochrane, and this would rectify that situation.

ONTARIO HUMAN RIGHTS CODE AMENDMENT ACT

Mr. Angus moved first reading of Bill 78, An Act to amend The Ontario Human Rights Code.

Motion agreed to.

Mr. Angus: The purpose of this bill is to prevent discrimination in employment on the basis of a physical disability. In order that a person with such a problem—particularly with reference to an individual who may have had a work-related injury—this bill will prohibit the asking of a job applicant if he or she has had a workmen's compensation claim. We have found in our task force of the NDP that too many employers automatically refuse work to an injured worker once they become aware that he or she has either made a claim to the board or is actually on compensation.

Mr. Speaker: Order, please. We just need the principle of the bill. We do not back it up with information.

Mr. Angus: Thank you, Mr. Speaker, and barring the Premier doing something foolish it will be debated on May 26. Thank you.

ORDERS OF THE DAY

BOROUGH OF SCARBOROUGH ACT

Mr. Drea moved second reading of Bill Pr8, An Act respecting The Borough of Scarborough.

Motion agreed to.

The bill was also given third reading on motion.

BOROUGH OF NORTH YORK ACT

Mr. Williams moved second reading of Bill Pr21, An Act respecting the Borough of North York.

Motion agreed to.

The bill was also given third reading on motion.

PERFUME AND COSMETIC BARS LIMITED ACT

Mr. Breithaupt, on behalf of Mr. Peterson, moved second reading of Bill Pr27, An Act respecting the Perfume and Cosmetic Bars Limited.

Motion agreed to.

The bill was also given third reading on motion.

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT (concluded)

Resumption of the adjourned debate in committee of the whole House on Bill 28, An Act to amend The Residential Premises Rent Review Act, 1975 (second session).

Hon. Mr. Welch: Mr. Chairman, before we continue our review of this legislation, I thought we might indicate to the committee that following consultations it has been agreed that we stack the voting as far as amendments are concerned. Once we've gone through the bill and discussed all the amendments we shall have one bell at the end.

Mr. Chairman: Agreed? It is understood that there is a 10-minute bell for stacked amendments?

Hon. Mr. Welch: Yes, Mr. Chairman.

Mr. Renwick: That's fine with us.

Mr. Breithaupt: I believe we are agreed, Mr. Chairman.

Mr. Chairman: The orders of the House require that it be a 10-minute bell on stacked amendments.

Hon. Mr. Welch: That would no doubt influence the committee as to when the bell starts then, Mr. Chairman.

Mr. Chairman: We are dealing with section 1 of Bill 28. Any further comment?

On section 1:

Mr. Chairman: Mr. Breaugh moves that subsection 7 of section 1 of Bill 28 be amended to read as follows: Subsection 11 of the said section 5 is amended to read as follows: "prior to giving written notice of hearing to the landlord and the tenant under

subsection 8, the rent review officer (a) shall order the landlord to file applications for settlement of rents to be charged during the 12-month period following the date of filing of the application under subsection 8 of all residential premises in the building or project for which tenancy agreements terminate at any time within that period, if and when such residential premises are re-let or renewed within that period and (b) shall fix a common date for the hearing of all such applications."

Mr. Breaugh: Very briefly, Mr. Chairman, this amendment makes provision for the annual building or project hearing. It reflects, I think, a growing consensus among both tenants and landlords that they don't object particularly to the rent review process. But it certainly is an obnoxious thing when essentially you have to go back to do the same thing sometimes four, five and six times during the course of a year.

There was provision in the current legislation for this to happen, and this simply makes it a little easier. It would streamline the rent review process significantly, cutting down the number of hearing dates in the cases that would be covered under this amendment and you would be looking at the same set of statistics provided by the landlord and essentially the same set of arguments presented by the tenants. What it would do would be to facilitate, and, we would anticipate, probably improve the quality of the arguments that are made, and even give both sides who want to present their cases fairly before the rent review officer, a chance to prepare a better case—to make it more significant—and to have that hearing done once each year for each project for each building.

In our discussions with both tenant groups who are dealing with the rent review process itself, they indicate that this would be a significant advancement toward them, not just in making the rent review process more streamlined because there would simply be fewer hearings involved, but it would allow them to do a better job, more preparation and would solve a lot of the anxieties that happen when there are continual rent review hearings being held for the same building.

From the landlord's point of view, from those who have made their view known to me or to other colleagues in my caucus, they indicate that one of their frustrations is having to go back before a rent review officer with essentially the same papers in hand, telling essentially the same story, and that it becomes an obnoxious thing from

their point of view because it's the same argument sideways for another unit in the same building. It does cause some difficulties when there are different hearings on different dates for different units in the same project or building and this particular amendment would solve some of those anxieties and some of those problems.

One of the side effects would be, of course, a rather substantial reduction in the number of hearings that had to be held. What might turn out to be the case is that the hearings have considerably more substance than they have now, that it would give the rent review officer more of an opportunity to review the cases in detail, and we would anticipate that the cases would be presented in a somewhat more substantive manner than they might be now.

We sense a consensus on both sides of the rent review process, both the landlord and the tenant, that this would solve a number of problems and seems to be a rather practical approach to it. It is not a major change from the process as it now stands, but would, in our view at any rate, make the process work much better and make both parties much happier with the process itself.

[11:30]

Mr. Edighoffer: Previously I had submitted an amendment to the same section setting out a different time period to fix a common date for a hearing. I think probably the best thing to do at this time is for me to present a subamendment and then I think we could consider the two of them together.

Mr. Chairman: Mr. Edighoffer moves an amendment to Mr. Breaugh's amendment, striking out in the sixth line the word "12" and inserting in lieu thereof "four."

Mr. Edighoffer: I agree sort of in principle with the amendment but I feel that by replacing the 12-month period with a four-month period it could be a much fairer type of hearing for both the landlord and the tenant. We must remember that if rents and costs are automatically increasing, probably the 12-month period would be beneficial to the tenant. However, some things, such as interest, are decreasing now. I feel that if every unit in a building that came due over the next 12-month period had to be reviewed, it may not be beneficial, particularly to the tenant, if that lease was running out in 11 months. For this reason, I feel that by amending the amendment from 12 to four months, it would probably reduce

some of the administration costs and time and would serve the same purpose.

Hon. Mr. Handleman: The proposal to conduct review on a building basis rather than unit by unit has been made almost ever since the original conception of the process. I suppose the suggestion was made by Professor Bucknall in his famous critique of the process. I just want to say that once again we're seeing a hasty, superficial and theoretical analysis of the problems. I just want to lay out the reasons why the government objects to going to this.

Mr. Renwick: Tell us. Give us the reasons, not the rhetoric.

Hon. Mr. Handleman: We have considered it and rejected it because obviously if it made sense and if it became more efficient to do it, that's what we want. I'm sure all members of the House want more efficiency. There is a little problem. Landlords do not always increase rents of all units within a four-month period or a 12-month period. You would be taking people into rent review who are not now hauled into rent review, and I mean tenants.

Mr. Renwick: Name one that does.

Hon. Mr. Handleman: Many building rents are increased on a unit-by-unit basis depending on the size of the unit. A one-bedroom or a two-bedroom apartment may very well get a higher increase than a three or a four-bedroom because the three- or four-bedroom is in plentiful supply. In many buildings in Ontario landlords are selective in applying their rent increases.

Just note that the wording of the amendment talks about the rents to be charged. It doesn't talk about increased rents being given to tenants. For whatever reason, because of friendliness with the landlord or they've known them for a long time or they're in dire financial straits, some tenants may not get an increase for one or two years. Why should they be hauled into the rent review process?

At the present time, the rent review officer has the option of doing this where, in his opinion, it will be more efficient, and I think he's just as interested in efficiency as any member in this House. They can look at it. They can be selective and they can say: "Yes, this is a building that I think has to be done," or, as happened in the case of the Ottawa landlord, a project which has to be done. But I would leave that decision in the hands of the rent review

officer on the basis of the applications which come before him.

Aside from the logical arguments, there are some legal difficulties again with this section which apparently suffers from sloppy drafting. I would just like to say, first of all, there is no filing of any application which is required under subsection 8. Maybe the hon. member should be talking about applications referred to in subsection 8 because they're not required. If there is no increase, there's no requirement for any applications. And what are you going to do about that?

We're looking at this question of when these things become effective. I have an example before me of an application which was filed on June 1, 1977. That rent is to take effect three months down the road. Then you would have a hearing for all of the units in that apartment, regardless of whether there is a rent increase or not, and some 18 months later there would be a rent review officer's order to take effect, long before you knew the situation with regard to fuel or interest costs.

The member for Perth says you're trying to go way down the road long before you know anything about the situation. We don't have his crystal ball and our rent review officers don't have it. Therefore, I feel we must object to this amendment.

Mr. Good: I would like to say that I personally don't think it would be a good thing to have rents fixed at hearings with a percentage of increase that would apply to all rents for that particular building for the next 12-month period. As mentioned by the member for Perth, this may be to the advantage of tenants in a situation where the inflation rate is increasing. Tenants may gather some benefit there, but in a situation where the inflation rate is decreasing, tenants then could be put in a less favourable position by having to accept a larger increase than was agreed to, say, 10 months ago, that would apply to a lease which was coming up at the particular date later on in time.

As an example, I would like to suggest that the way mortgage interest rates have fallen in the past eight months is a very good example of the difference that could result in a rent review officer hearing today compared with a hearing last July. Last summer mortgages were being renewed at 12 per cent rates and up. Presently the rate could be 10¼ and up. A difference of 1.75 per cent in a mortgage renewal on a

\$14,000 mortgage per unit would result in a saving to the tenants at today's date of about \$20 a month. I am sure this would have a direct application and a direct bearing made in a rent review officer's order today compared with eight or 10 months ago.

I would hate to see tenants put in an awkward situation where they would be obliged to accept an increase given today, even though their tenancy agreement would not expire for 10 or 11 months in the future. If we are convinced—and many of us feel that the economy is cooling off somewhat—that the inflation rate is being controlled to some extent, this will reflect in lower increases being given at a later date.

I would hope that the member for Oshawa would agree with me that his particular amendment could in fact and is more likely to cause hardships to tenants from here on than it would have previously. For that reason I don't think it would be in the best interests of tenants to be locked into a 12-month rent review period automatically as this would suggest.

I agree that there is some administrative advantage to having all units that will be coming up for review within the near future dealt with at a particular time. The minister will say there is that prerogative presently of the rent review officer to act. If proposed hearings in the next four months, even six months, could be consolidated into one hearing, I don't see that there would be that many administrative problems.

Surely the landlord will know what rents are coming up within the next four months or even six months that he is intending to adjust. They must certainly work that far ahead. If he is planning an increase over the allowable limits, he would have to apply for a hearing. I would think it would be advantageous in the interests of cutting down hearings if the minister were to accept some change in the Act, albeit maybe not through this particular amendment or through the amendment to this amendment, whereby landlords would be required to present to the rent review officer all contemplated applications for increase within the next few months. Some rent review officers under present circumstances, may ask for those; others may not. It would, at least, put landlords on their toes where they would have to ascertain a few months ahead—more than just the 90 days notice—which ones they expect to have a hearing on.

I would invite the minister's response. I think this problem could be worked out to the satisfaction of both landlords and the tenants if he could show us where some consolidation of hearings could be held where there would be some compulsion on the part of the landlords to get their hearings together into groups so that it could simplify the administration of the Act.

Hon. Mr. Handleman: I certainly appreciate the comments of the member for Waterloo North and I agree with them entirely. I don't think there's any problem here at all because in the administration of the Act the rent review officer now has the power to ask for a list of all of the rents. If he gets one application in the building, it requires the landlord to submit a list of all of the rents in those premises.

The problem that we have with the amendment is that we're not talking about rent increases. It talks about rents charged. That would mean that everybody in the building would be drawn in or, in the case of the Liberal subamendment, one-third of the tenants, whether or not the rents were going to be increased, drawn into a rent review process and they would have to receive notice of the fact. This obviously is disruptive, I think, to the tenant. At the present time, with that kind of a situation the rent review officer normally does not order the landlord to file orders unless there are going to be rent increases. He can do that now and he does do it.

We have some grave reservations about the amendment. There is no problem with the intent. It is to increase efficiency and it's the kind of thing we're very interested in. But, for example, it does not take into account periodic tenancies, monthly tenancies, which are becoming more and more the vogue, particularly in urban areas. That would mean that a tenant who was on a monthly tenancy obviously would have to be notified every time there was a rent review application coming up. Under the NDP amendment, theirs would be coming up every month. These would cause rent review. Under the Liberal amendment, they would be notified three times a year of a rent review hearing which they may or may not have an interest in. I would rather leave it to the experience which has been gained by the rent review officers to determine when it's feasible and when it's more efficient to consolidate hearings, which they've been doing.

Again, I go back to my own constituency where I really have only one major landlord who has about three major projects. We have

done those most expeditiously. One of them, I think, takes into account something like 3,000 rental units, almost 10,000 people. It was done in one set of hearings. The same thing was done with one called Parkwood Hills and Heron Gate. These things were done and they were consolidated. I think that has been the practice everywhere in the province where it is seen to be efficient, but where it's not seen to be efficient, I think we should leave it to the discretion of the officer to make those orders.

Mr. Deputy Chairman: Are there any further questions? We will vote on the amendment to the amendment moved by Mr. Edighoffer.

All those in favour of the amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it. I declare the amendment to the amendment lost.

Amendment stacked.

Are you ready for a vote on the amendment by Mr. Breaugh?

All those in favour of Mr. Breaugh's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

Amendment stacked.

Mr. Hodgson: One, two, three, four, five.

Mr. Renwick: Do you remember you had exactly 20 yesterday?

Mr. Chairman: Any further comment on any other section of the bill?

Section 2 agreed to.

[11:45]

On section 3:

Mr. Chairman: Hon. Mr. Handleman moves that subsection 1 of section 3 of the bill be struck out.

Hon. Mr. Handleman: If I might explain the purpose of this amendment, Mr. Chairman, the original drafting of the bill made it optional as to whether or not written reasons would be given for a decision of the rent review officer unless he was requested to do so. In retrospect, and with calmer minds having been brought to bear on this, we felt that if a request was not made at the outset of a hearing, it could very well lead the rent review officer to assume that he would never have to explain his decision and might possibly lead to some sloppiness in

dealing with the evidence. So we have continued the mandatory requirement for written reasons on a rent review officer's order.

Mr. Breaugh: We accept the public apology for sloppiness in drafting and silly simplistic notions, Mr. Chairman, and, in an effort to make minority government work, we will support the government's amendment.

Mr. Edighoffer: We have looked at it very carefully and we will support the amendment.

Motion agreed to.

Mr. Chairman: Mr. Breaugh moves that subsection 2 of section 3 be amended to read as follows:

"The said section 7 is amended by adding thereto the following subsection:

'3(a) At or prior to the commencement of any hearing the rent review officer shall satisfy himself about the sufficiency of any notices under subsection 1 of section 115 of The Landlord and Tenant Act or under section 6 of this Act, and no order of the rent review officer shall be effective unless the notices as required are sufficient.'"

Mr. Breaugh: Very briefly, it strikes us as being incredibly logical that the first thing the rent review officer does is ask whether sufficient notice has been given. It doesn't strike me that it will be an incredible bureaucracy to administer if you remind him to ask the pertinent question before things get under way, and it will solve the problem once and for all.

We cannot see why the tenant, who in most instances is not going to turn out to be a professional person in appearing at hearings, ought to lose the rights encased in the previous Act and enforced under this one because he forgets to ask the right question. It strikes us that the professional involved is the rent review officer and that it is not a great burden on his job to ask the question, "Has proper notice been given?"

Mr. Edighoffer: This amendment seems reasonable to me. It seems logical that that should be the first question of the rent review officer and we, in this party, will support the amendment.

Hon. Mr. Handleman: It's so reasonable that, in fact, that is what the law is now. No matter what the rent review officer may do to satisfy himself as to the sufficiency of notice, if the notice is insufficient, it's insufficient; and that's the problem we have faced right up to the judicial reviews that

we have undergone. The rent review officer in every hearing asks whether proper notice has been given. He is given certain information and certain evidence. He satisfies himself—he is not a judge; he is not a lawyer in many cases—that notice has been sufficient. The suggestion that no order of a rent review officer shall be effective unless notice as required is sufficient seems to be a little bit redundant. It is quite obvious that if they are not sufficient the order is ineffective. I don't understand why on earth we would pass redundant legislation when this is exactly what the law says now and it is the way the courts have interpreted it. But certainly we have no objection if you want to write into law that the rent review officer shall do this, because he is doing it now and always has done it. That doesn't mean the notice is sufficient. Simply because the rent review officer is satisfied it is, the courts may not be—and that has been our problem all along.

We're concerned, of course, that somebody brings it up at a stage far down, challenging the sufficiency of the notice, and then goes to review in a situation that might very well have been determined at the original hearing. If there's a question of notice there it should be brought up, not after the whole process has been completed, then the courts are hauled into it.

Mr. Good: Perhaps the minister can explain one thing to me. Your amendment in the bill under that section now would appear to say that unless the tenant has objected to the sufficiency of the notice—in other words, the onus is on the tenant to show that there is proper notice. Under section 3(a) that's the way it appears to me; the onus is on the tenant to prove that the notices had been given and everything was in proper order before the proceeding starts. We don't think that that onus should be on the tenant. That onus should be on the rent review officer, to make sure that everything is in order before the proceeding starts.

What are you going to do about that 3(a) that you have in there now? Could we have just a little discussion with the minister on this?

Hon. Mr. Handleman: Mr. Chairman, if I can, as briefly as possible, say that, yes, the rent review officer is required to say to all the parties, "Are you satisfied? Show me, if there's any question at all about the sufficiency of notice I would like to know about it." All he's got, of course, are the forms which have been filed. He's asking people,

"Have you, in fact, received notice?" If they say no, that protects their rights to appeal, there's no question about it. If they say, "We're satisfied with it," the rent review officer still has to satisfy himself, and he may say "Look, I see some flaws in this notice and I'm drawing it to your attention now." That's all that has to be done to protect the person's right of appeal, whether it's a landlord or a tenant.

All we're saying is that if everybody sits there and accepts that the notice has in fact been sufficient, both at the rent review officer hearing, the rent review board—which is a hearing *de novo*, where you have an opportunity to bring in all the new evidence you want—then after all these processes are gone through, a person goes to judicial review and says "I forgot to do it there and I forgot to do it there, and here I'm doing it." I think they are really abusing the privilege of going to court. You can't have three hearings *de novo*, and I defer to some of our legal friends, but that's what we seem to be saying. You can bring in all the evidence you want whenever you want to throw any decision of the rent review officer out. We just think that there has to be some finality to this thing.

Mr. Chairman: Ready for the question? All those in favour of Mr. Breaugh's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "ayes" have it.

Amendment stacked.

Any comment on any other section of the bill? If so, what section?

Sections 4 and 5 agreed to.

On section 6:

Mr. Chairman: Mr. Breaugh moves that section 6 of the bill be amended to read as follows: "The said Act is amended by adding thereto the following section: 11a. On or before July 1, 1977, each landlord shall furnish to the rent review officer, in prescribed form and thereafter maintain up to date particulars of rent charged in relation to the premises, services and facilities provided under any tenancy agreement on or after January 1, 1977, for each unit of residential premises leased by the landlord in the area in which the rent review officer has jurisdiction, and the rent review officer shall prepare and maintain a public register of the particulars."

Mr. Breaugh: It's not a very complicated motion but it would be useful from several

points of view to establish a public register of what the rents are for a particular building. That would give us information on all of the buildings within the rent review officer's jurisdiction.

This is used in establishing the rental decision the review officer might make in most instances now and it would provide us with information that would be useful in a number of other areas. It is not a complicated idea. This is information that is known to a number of people but is not now in one place at one time. It could be a rather authoritative and comprehensive list. It is not a complicated thing nor would it be a time-consuming thing to administer, since you would do that when the landlord comes in and the landlord certainly has that information. It would be of considerable assistance, I would think, to the rent review officer in the first instance, and to landlords in a given area in the second instance to know what the going rate is exactly for particular units in projects throughout that particular community and to tenants when they are coming in to prepare their own case for the rent review officer.

Mr. Edighoffer: Speaking to the amendment, I would, first of all, have to say that I am sure that this would create a tremendous increase in bureaucracy. I really feel that an amendment such as this probably wouldn't give the information to the tenants regarding increases prior to January, 1971. As I said previously, I agree to some extent that there should be some type of registration but I think that we would be hiring more bureaucrats. We would be sending more notices out by July 1977 to make sure that all this information is put into a public register.

I feel we can't support this particular amendment. However, Mr. Chairman, I did send you a notice of an amendment I wish to make. I would like to ask you if we could vote on this one first, and then I could put my amendment to the same section afterwards.

Mr. Chairman: We are stacking votes. I would assume all these votes will be dealt with in consecutive order. I would say yes, subject to stacking.

Hon. Mr. Handleman: I just wanted to comment on the amendment. I am pleased to hear the Liberal spokesman recognizes the tremendous amount of paperwork that would be involved in this. Coming from a member who so forcefully criticized the

amount of paper work in the programme now, it just boggles the mind.

It says each landlord. I assume that means each landlord in the province of Ontario. I don't know where they are, or who they are. They come to us through the rent review process, and that's one way of finding out. We will register that two million—I don't know why we don't register every person in the province and say what he does, what he charges for his services and everything else. That would make it very convenient for the NDP some day.

Mr. Martel: You get more immature every day.

Hon. Mr. Handleman: But at the present time, as a tenant in the city of Toronto, I think I would dislike the fact that there is going to be a public register of what I am paying for rent.

Mr. Martel: You are not for real.

Hon. Mr. Handleman: That's a contract between me and the landlord. I think this is an invasion of privacy.

Mr. Martel: What about the lists that your friend gives out from T and C?

Hon. Mr. Handleman: At the present time, a tenant can obtain information about his own unit by the simple process of applying for a rent review. All he has to do is to make out a simple little form and he can get all the information. Landlords applying for rent review must list the complete rental history of the unit back to January 1, 1974. We've had a lot of complaints about that, but it is necessary for the rent review officer to have that information. Under section 5(10) of the Act, the landlord must also file a list of the rents of all the other premises in the building or in the project, as determined by the officer.

We are saying that this would be impossible to administer, impossible to enforce and just a little difficult to keep it current.

Mr. Renwick: I just want to make one brief comment about the comment of the minister, that ridiculous statement he made about an invasion of privacy. If the method of assessment proposed by the government goes into force, you are going to have a public record of the fair market value of all properties. You are going to have a public knowledge of the taxes which are paid. You're going to have, under the amendment which we propose, public knowl-

edge of information with respect to the rentals charged by landlords for premises, in order that the tenants will have an opportunity to iron out the inequities which presently exist throughout the rental accommodation in Toronto.

[12:00]

I'm talking about variations in rent of significant amounts for identical accommodation, simply because, when there's a shortage of rental housing, the tenant has no bargaining position whatsoever; he has no basis on which he can make any association with his fellow tenants for the purpose of destroying the inequities of the present system. And for someone to indicate in this House that the publication of the rent charged by landlords for units and facilities and services is an invasion of privacy of the tenant, reflects a total misconception by the minister of the position of the tenant in the developer-landlord dominated area such as the city of Toronto.

Mr. Mackenzie: We'll talk to the minister about it.

Mr. Good: This matter is of concern to us, mainly to act as a protection for tenants moving into buildings for the first time and not being sure of the previous rent for that unit. As the rent review orders apply to the unit rather than the tenant, it is important that the previous rental charge for that unit be known to the new tenant moving in.

I concur with the member for Perth and do not think that a public record of all the rents charged in the province is necessary. Surely every landlord of every duplex, triplex, fourplex and small units should not have to file his rent to some public body. What an accumulation of useless statistics that would be.

However, there are important situations where it is imperative that a tenant know what the rent was in that unit prior to his moving in. And that is the crux of this whole problem.

Mr. Breagh: How can you accomplish that?

Mr. Good: Now to accomplish that I don't think it's necessary to have public lists in the hall of the apartment—

Mr. Breagh: How are they going to get it in time?

Mr. Good: —or lists filed in stack upon stack upon stack of filing cabinets or microfilm in the rent review office. I think there must be

some way this can be accomplished. To begin with, I don't think that information, if it were filed with the rent review officers, would be given out necessarily over the phone. I think the tenant is going to have to go down and make an application to get that rent from the rent review officer.

Mr. Breagh: Where are they going to get it—in the washroom?

Mr. Good: Section 6 of the bill now states under 11(a) that the rent review officer in respect of any pending application under this Act may request in writing that the landlord furnish him with written particulars as are available to the landlord for all the rent schedules back to 1974. So that means that where there has been a rent review hearing, this information will be on file with the rent review officer. Well, we think that's fine.

Mr. Breagh: Stacks and stacks of paper.

Mr. Good: So then we have to get to the situation where a tenant is moving into a building where there has previously been no rent review hearing, so there will be no information on file. And that's the situation which concerns me: that the landlord be required to say to his tenant something more than, "Yes, that's what I charged the last tenant and that's what I'm charging you." I don't think that is good enough.

This is permitted under the present bill. If the tenant goes down and says, "I want to know what the rent was for apartment 427 in such and such a building," the rent review officer says, "Well I don't have that. There's never been a hearing on that building, I don't have it." But the tenant says, "All right, I'll fill out a form 5A," which would trigger a justification of rent increase under section—I think it's 4 or sub 4 of 5 of the bill.

Mr. Martel: More files than people.

Mr. Good: The legislation says that the rent review officer may request this information. He may or may not. Suppose the rent review officer says, "Oh yes, we know that outfit, they're fairly reliable. If they told you that's what the rent was, well that's what it was." Well, I don't think that's good enough, either. I think the rent review officer has to be required in this legislation to get that information as quickly as possible for the tenant when the tenant requests it. He is going to have to request it in writing the way the bill is now, by filling out a form—I think it is 5A. That form, when filled out by a tenant, is for a justification of rent increase.

Mr. Minister, your rent review officer in my area, and your people have told me that form 5, a form for justification of rent increase, can also be used by a new tenant for a justification of rent. If that is so I can maybe go along with that, but I am just not sure if that is what the bill says, because a rent review officer could very well say, "There has been no increase applied for here, so I don't know if we have jurisdiction or not." That is the only thing that worries me in this whole situation.

First of all, I think the rent review officer has got to be required to get that information. No "may" get it if he sees fit or if he wants to, he has to be required to get that information. I see no great advantage in having all this voluminous amount of material on file. I think if you get it when it is requested that would be quite okay, as far as I am concerned, but I think something has got to be done to make it compulsory that the rent review officer get that information at the request of a tenant.

As far as I am concerned the tenant should have to make that request in writing, and the way the Act is now he would make that request by filing a form 5A, which I am told does not necessarily trigger a rent review hearing. It just triggers a rent review officer requiring a justification of that rent, which may or may not be a hearing. I would like to hear the minister's response, and I hope what he tells me is exactly the way the book reads and what his people are doing when they enforce this legislation.

Hon. Mr. Handleman: Mr. Chairman, I would be glad to respond to the member for Waterloo North on this. The information has been received is exactly correct. A tenant who wishes to find out what the rent is in a new unit, having moved in, where that unit has not been under review previously, simply makes out what we call an application for rent review which is treated, when it comes from the tenant under those circumstances, as a request for information. The rent review officer under this section would then go to the landlord and say, "We want to have that history back to 1974."

Our concern is with the word "shall" in here. I think if the hon. member will read the wording of the section—and this was made wide for a reason—what the word "shall" would do would result in the rent review officer having to ask for the particulars of every premise rented by that landlord whether it was in that building, whether it was in Timbuctoo, North Bay or wherever.

This was made broad for a reason. Our rent review officers quite often must insist on a wide range of information to ensure that we are not getting into the situation of robbing Peter to pay Paul somewhere else, and that has to be available to him. It doesn't apply just in this case—it was also meant to cover the kind of case that the hon. member has outlined.

I think the word "shall" in there would really destroy what we are trying to do, which is to give the officer the right to get that information for the individual tenant but not require him to get information which is completely irrelevant to the position that has been put to him. We recognize the situation where we have not been able to get information, where there has been no application and a new tenant comes in, and that was put in there for that reason.

Under our new 11a the officer can demand the information. Under the new 17(1) it would be an offence not to file the information or to file false information. Again, to force the officer to demand all of the information whether it is relevant or not really would be imposing an administrative difficulty, if not an impossibility, to enforce, and remove from the rent review officer that kind of selectivity I think he has to have in exercising this kind of power. It is tremendous power that is being given to him under this section.

Mr. Good: What would you do then if a rent review officer did say to a tenant, "The Act doesn't say I have to get that information. You will just have to take my word that that is the same rent that he was charging before"? I just don't think that is good enough, Mr. Minister.

Hon. Mr. Handleman: First of all, I think you are attributing a degree of insensitivity to the rent review officer that I don't think is there. Certainly what I would say is that we have issued instructions to our rent review officers. They know what they are supposed to do.

We get a lot of complaints from people saying you are removing their discretion from them. But I think they have to follow certain procedures and this is one of them. We're saying this is what the section is designed to do, without burdening the rent review officer and the landlord in supplying a great deal of information which is completely irrelevant to the particular request which is before the officer.

I am sure, as minister, if I were to hear of a situation where a rent review officer cavalierly dismissed a request of that nature, we would probably write him a letter from the executive director of the programme telling him to pull up his socks.

Mr. Chairman: Any further discussion on Mr. Breaugh's amendment?

Mr. Edighoffer: Mr. Chairman, from the comments the minister has made, I am not completely satisfied that section 11a shouldn't be made mandatory, and I would like to move an amendment to that section.

Mr. Chairman: Mr. Edighoffer moves that section 11a of the Act as set out in section 6 of the bill be amended by striking out "may" in the second line and inserting in lieu thereof "shall."

Mr. Breaugh: On a point of order, Mr. Chairman. I wonder if we might have a vote on our amendment and then we would be quite prepared to deal with this amendment. Would that be a proper way to proceed, as we've done it all morning long?

Mr. Chairman: It was the Chair's intention to deal with amendment 4, your amendment, and then deal with Mr. Edighoffer's.

Are you ready for the question on Mr. Breaugh's amendment to section 6?

All those in favour of Mr. Breaugh's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

Amendment stacked.

We will now deal with Mr. Edighoffer's amendment to section 11a of the Act.

Does the hon. member for Perth wish to comment further?

Mr. Edighoffer: Just briefly, Mr. Chairman. I think this has already been discussed but I am not completely satisfied that it would if left as it is, bring the result expected. I personally feel that this information should be on record and, of course, therefore it should be mandatory to collect it.

While I am on my feet, I question also three other words in the section and I wonder if the minister could clarify why the words in the third line, "as are available" are still left in there. I feel they should be deleted. I wonder if the minister could explain to me why those three words are in the legislation?

Hon. Mr. Handleman: I think without trying to take the place of any of the judges

who may be called upon to adjudicate this, I think law has to be reasonable. I don't know how you can ask somebody to supply information which is not available to him—you know, reasonably available. You certainly can't ask people to go out and do detective work. We've had situations where it is not available. The landlord has bought a building, and when he's asked for the records, somebody says "Oh, I burned those a couple of years ago. I haven't got any records." It's very difficult.

I'm not saying he can't possibly do the detective work that might bring him to the position where he could supply the information. But you are talking about January 1, 1974, over three years ago, and it's pretty difficult for him to find out in many cases what the situation was. But if it is available, it has to be supplied. The failure to supply it is an offence under the Act.

But with regard to the hon. member's suggested amendment, again I just want to point out that while we are talking here about any pending application that could be a landlord who has one apartment which he has applied for rent review, forgetting about the tenant's side of it. He doesn't intend to apply for any of the others. Under the amendment, he would have to then supply to the rent review officer information about every unit that he has, anywhere, because it doesn't talk about that specific unit which is under application.

[12:15]

If you wanted to do that, I would have no objection to forcing the rent review officer to obtain information about an application for a unit which is under review; but not anything else, because I think you're adding to the paper work without really accomplishing anything at all.

Mr. Good: How do you accomplish that?

Hon. Mr. Handleman: It's your amendment, but make it workable.

Mr. Breaugh: I think we will support this amendment as proposed by the Liberal Party. Frankly, I don't even pretend to understand how the paper that is used to keep these records is going to be any thinner under this amendment that it would have been under ours. I don't understand how the people who write the numbers down are going to cost less under this amendment than under ours. I don't pretend to understand how you are going to get that information, unless it's a matter of public information, any easier under this than under ours; but then it isn't our

job to understand that party's political philosophy, we are just trying to get the best shake we can for the tenants.

Mr. Sweeney: Take it on faith.

Hon. Mr. Handleman: I am going to have to ask the indulgence of the Chair on this one then. If you could defer the vote, I would like to have our people put their heads to accomplishing what I think the proposer of the amendment wants without imposing on us that kind of work. The member for Oshawa is almost correct, but not quite, because this does not apply to all landlords. It only applies to all units of every landlord who makes an application. There is a difference between the two. This one is only less desirable by degree than your own amendment. I would like, if possible, to defer the vote until we can propose other wording.

Mr. Warner: Defer it till Monday?

Hon. Mr. Handleman: No.

Mr. Deputy Chairman: Does the committee agree that we stand this down and deal with it later?

Agreed.

Mr. Deputy Chairman: Are there any further comments, questions or amendments to any other section of the bill?

Mr. Breaugh: I think the minister has some.

Hon. Mr. Handleman: On section 9, Mr. Chairman.

Mr. Deputy Chairman: Anything prior to section 9?

On section 7:

Mr. Deputy Chairman: Mr. Edighoffer moves that section 13(1a) of the Act, as set out in section 7 of the bill, be amended by striking out, in the fourth, fifth and sixth lines the words, "where the person establishes that he was unable to attend in person or by agent at the hearing as a result of circumstances beyond his control."

Mr. Edighoffer: This has been discussed a number of times in the House; I think it would just be best if he could have any reasonable excuse and make that to the rent review officer.

Hon. Mr. Handleman: I don't suppose we have any objection to the intention of the

amendment, but the results of it could be obvious. If everybody who is dissatisfied with the result of the decision of the board is going to say: "I have reasonable cause for a new hearing," the board will be rehearing not only its hearings but its rehearings. I think there have to be some finite boundaries to the reasons that can be given.

I'm told by our legal advisers there is a good body of law which would restrict, but not unduly restrict, the right of a person to a rehearing under this section as we have worded it. If you take those reasons out, you would have everyone who said: "I didn't feel like going that night" or "I had a headache" using that as an excuse for a rehearing.

I think we simply must try to restrict it in some way. We said during the original debate, way back, we would try to prevent frivolous appeals, and I think this is all we are trying to do, while at the same time opening up the possibility of a rehearing, which doesn't exist under the present legislation at all. We've had some problems with that, where people quite obviously should have a rehearing and we weren't able to give it to them. This opens up the door without opening it wide.

Mrs. Campbell: I'm somewhat puzzled by the minister's response to this particular amendment. What it says, in effect, is that where someone did not attend, then that person may ask for this right of hearing. Then at the discretion of the rent review officer or the board the person may be permitted to appeal on terms and conditions. Surely, it is enough that those terms and conditions are sufficient and we should not leave it to the result of circumstances beyond a person's control, that is too heavy an onus, I would think. One could distort what is beyond control to make it almost impossible for a person to get this form of relief. I see nothing wrong with the suggestion in this particular case, and I would urge the minister to reconsider his position on this one.

Hon. Mr. Handleman: The purpose of the amendment in the bill in the first place is to make it possible for a rehearing to be convened.

Mrs. Campbell: That's right.

Hon. Mr. Handleman: It was suggested by the board itself, so that they could do this. I would like to have heard some of the circumstances which would not be beyond the control of the party which might, at the discretion of the board, have enabled them to rehear the case or permit them to appeal. In

drafting this, we were trying to find reasons that would enable the board to allow an appeal. It was felt that some of the cases, such as sickness, such as being away on vacation at the time the appeal was held, were circumstances beyond the person's control or—

Mrs. Campbell: How is it beyond their control to be on vacation?

Hon. Mr. Handleman: —having to work when it was on, having to take time off and lose pay; those things would be considered circumstances beyond the person's control. There have to be some reasons, because if it is discretionary, I think we would probably have to double the panels of the board simply to hear these so-called leaves to appeal, which is what they would be. Almost anybody who didn't like the decision of the rent review officer would feel they had a right to go before the panel and seek leave to appeal. Obviously the panel which hears that will not be the one to hear the eventual appeal; so we're really going to have to do something like this. As I say, our purpose was to open it up. I don't think we want to unduly restrict it, but we do have some concerns about how wide it is opened. Never forget, of course, the kind of pressure that comes from intervention in what is a really judicial process. For people to say give those people a hearing, but they don't have to give any reasons for it, just give them a hearing even though they may not be entitled to it; I would be very concerned about that kind of pressure being brought to bear on political persons who might have some control over the board.

Mrs. Campbell: It's interesting to me that the minister gave an example which had occurred to me, and which I would say has traditionally been disallowed as a reason by the courts, that is that they would have to take time off work and lose pay. That has never been the concern of the courts to any great extent. I would certainly submit to the minister, through you, Mr. Chairman, that if that is the sort of thing, then you'd have to get into the rather miserable position of giving for instances, and I think that should be avoided. But to say that because somebody had to lose a day's pay, that it was, in effect, beyond his control, I do not think that would wash. I notice that the House leader (Mr. Welch) who is a lawyer recognizes—I don't know whether he agrees with me—but I think he would recognize that the courts have not considered that losing a day's pay is something beyond the control of an applicant. He

is nodding at me, I think, so I would suggest that this is a very serious matter.

Hon. Mr. Handleman: All I can say is, I defer to the hon. member's legal experience and simply say that I have to assume the board would have to consider all the circumstances before them and make a decision. I think I would certainly want them to err on the side of being less restrictive rather than over-restrictive in dealing with these reasons.

Mr. Deputy Chairman: Are you ready for the question on Mr. Edighoffer's amendment?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Amendment stacked.

Mr. Deputy Chairman: Are there any further amendments, comments or questions prior to section 9?

Section 8 agreed to.

On section 9:

Mr. Deputy Chairman: Hon. Mr. Handleman moves that clause (b) of subsection 1 of section 16 of the Act, as set out in section 9 of the bill, be amended by striking out "quit or" in the fifth line and inserting in lieu thereof "apparently."

Hon. Mr. Handleman: I think this is simply an improvement in drafting. There was some concern about whether there would be any definite knowledge as to whether or not the tenant has quit, so the idea was to make it possible to act in the case of an apparent abandonment of the premises.

Mr. Breaugh: Once again, in a last-ditch effort to make minority government work, and accepting the second public apology for sloppiness of drafting and inappropriate use of the English language—

Hon. Mr. Handleman: Don't attack the civil service.

Mr. Deputy Chairman: Order, please. The hon. member for Perth.

Mr. Breaugh: —to keep this country together, we will support this amendment.

Mr. Edighoffer: This is not an earth-shaking event. We will support it too.

An hon. member: Levesque will agree with that. He will be happy with that.

An hon. member: It will keep the country together.

Motion agreed to.

Section 9, as amended, agreed to.

Section 10 agreed to.

On section 11:

Mr. Deputy Chairman: Mr. Breaugh moves that section 11 of the bill be deleted and the following substituted therefor:

"Section 20 of the said Act is amended by striking out 'and is repealed on August 1, 1977.'"

Mr. Breaugh: This obviously speaks to the matter of whether, by some great crystal ball—obviously we don't have it, because the minister has it this morning—he has decided that by a particular date the problems with the rental accommodation in the province of Ontario will be overcome substantially, totally, by this proposal.

We think that is a ludicrous notion. We think it is a false premise on which to operate and it is the heart and soul of essentially what is wrong with rent review in Ontario: It's a patchwork, temporary programme, and that fearful premise runs through the entire process. We think it necessary to remove that.

We had some initial criticism when we suggested that the minister might be prepared to make a judgement on simple things like tying it to a vacancy rate. If he's at all uneasy about a vacancy rate, he might consult with his colleague, the member for St. Andrew-St. Patrick (Mr. Grossman) who has a magic number and publishes it. He can do that if he wants to do it that way. But we would be quite happy to leave this legislation in place as a permanent piece of legislation until the rental accommodation problem is solved, at which time you could repeal the Act.

Mr. Warner: That's reasonable.

[12:30]

Mr. Edighoffer: This amendment is one that we cannot support, of course, because we have already said on many occasions that this legislation must be tied to the AIB guidelines, which we expect will be finished on December 31, 1978.

Also, the amendment really doesn't leave any incentive for the private sector to produce more units, which we've heard so many times in this Legislature. This has

been referred to, and of course if we have an end to this legislation we can start planning for the decontrol period following the legislation. So, as I said earlier, we in this party cannot support this amendment.

Mr. Deputy Chairman: The hon. minister.

Hon. Mr. Handleman: Mr. Chairman, of course this amendment goes to the very heart of whether or not this is temporary legislation. I must say that after the hon. member's party last night voted to tie it to the AIB, in opposition to this side of the House—

Mr. Ruston: They are not sure.

Mr. Wildman: Will this be tied to the AIB on third reading?

Mr. Deputy Chairman: Order, please.

Hon. Mr. Handleman: —I wonder how he now rationalizes the fact he doesn't want to tie it to anything.

Mr. Deputy Chairman: Are you ready for the question?

All those in favour of Mr. Breaugh's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

Amendment stacked.

Mr. Deputy Chairman: Are there any other comments, questions or amendments to any other section of the bill?

Hon. Mr. Handleman: Mr. Chairman, there was a section stood down.

Mr. Deputy Chairman: Yes, I was going to comment on that.

The hon. member for Perth moved an amendment which was stood down. I'll re-read the amendment to refresh your minds:

"That section 11(a) of the Act as set out in section 6 of the bill, be amended by striking out 'may' in the second line and inserting in lieu thereof 'shall.'"

Does the hon. minister wish to comment?

Hon. Mr. Handleman: Yes, I have sent to the hon. member for Perth a wording which he might wish to incorporate in his amendment. We're quite satisfied with the section as it stands before you in the bill, but it might be advisable if the hon. member for Perth would speak to his amendment further.

Mr. Deputy Chairman: Does the hon. member for Perth wish to comment?

Mr. Edighoffer: Yes, we've checked the wording as it's been sent over and we are certainly in agreement with it. It will take me a moment or two to write it out, though, to present it to the House.

Mr. Renwick: Read it to us first so we can ponder on it.

Mr. Edighoffer: All right. We'll add to that amendment, "after the word 'premises' in the sixth line, the words 'in the building relating to each application'; and striking out the words 'rented by the landlord.'"

Hon. Mr. Handleman: Mr. Chairman, speaking for the government, with some reluctance we would accept that as written down, so the House will not divide.

Mr. Renwick: What's the meaning of it? What do you think it means?

Hon. Mr. Handleman: Mr. Chairman, I think it means that what we were trying to accomplish is that the rent review officer shall, as I understand the wording of the amendment, require in the case of any application before him full information back to January 1, 1974, on all units within that building within which the units subject to that application are located. I think that would give the tenant seeking information about the building in his own unit all the information he needs, and would give to the rent review officer the information he normally requires anyway.

Mr. Renwick: I understand that.

Mr. Deputy Chairman: Perhaps the hon. member for Perth will send the written amendment as soon as possible so we can place it before the committee.

Mr. Edighoffer: I think I'm ready. I'll read the whole amendment now:

"That section 11(a) of the Act, as set out in section 6 of the bill, be amended by striking out 'may' in the second line and inserting in lieu thereof 'shall'; and further striking out the words 'rented by the landlord' in the sixth line and inserting therefor 'in the building relating to each application.'"

Mr. Deputy Chairman: Any further discussion on the amendment?

All those in favour of Mr. Edighoffer's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "ayes" have it.
[11:45]

The committee divided on Mr. Breaugh's amendment to subsection 7 of section 1, which was negatived on the following vote:

Ayes 27; nays 61.

Section 1, as amended, agreed to.

The committee divided on Mr. Breaugh's amendment to subsection 2 of section 3, which was approved on the following vote:

Ayes 46; nays 42.

Section 3, as amended, agreed to.

The committee divided on Mr. Breaugh's amendment to section 6, which was negatived on the following vote.

Ayes 27; nays 61.

Section 6 agreed to.

Hon. Mr. Rhodes: Mr. Chairman, could I ask the Chair to give me the count on the first vote, sir—I'm sorry—the second vote?

Mr. Deputy Chairman: It was 46 to 42, as I recall it.

The committee divided on Mr. Edighoffer's amendment to section 7, which was approved on the following vote:

Ayes 46; nays 42.

Section 7, as amended, agreed to.

Hon. Mr. Rhodes: May we have a count please, sir; a head count on that vote?

Mr. Breithaupt: We just did.

Hon. Mr. Rhodes: No, we did not. He took the original count on the second vote. I would like to have a head count on this side of the House please.

Mr. Deputy Chairman: All right. We will retake the count.

Mr. Breithaupt: John has two heads.

Mr. Nixon: How about the best three out of five?

Mr. Good: A \$200 fine for that.

Clerk Assistant: Mr. Chairman, the "ayes" are 46; the "nays" 42.

Mr. Deputy Chairman: Order, please. Now that we have established that the clerks can count correctly—

Mr. Conway: The Minister of Housing can't.

Mr. Deputy Chairman: —we will continue to deal with Mr. Breaugh's amendment.

The committee divided on Mr. Breaugh's amendment to section 11, which was negatived on the same vote as the first vote.

Section 11 agreed to.

Bill 28, as amended, reported.

On motion by Hon. Mr. Welch, the committee of the whole House reported one bill with certain amendments.

THIRD READING

Bill 28, An Act to amend The Residential Premises Rent Review Act, 1975 (second session).

Hon. Mr. Welch: Mr. Speaker, Her Honour will now come in for royal assent if the House will stand by.

[1:00]

The Honourable the Lieutenant Governor of Ontario entered the chamber of the Legislative Assembly and took her seat upon the throne.

ROYAL ASSENT

Hon. P. M. McGibbon (Lieutenant Governor): Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed certain bills to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

Clerk Assistant: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 28, An Act to amend The Residential Premises Rent Review Act, 1975.

Bill Pr8, An Act respecting the Borough of Scarborough.

Bill Pr21, An Act respecting the Borough of North York.

Bill Pr27, An Act respecting the Perfume and Cosmetics Bars Limited.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to these bills.

On motion by Hon. Mr. Welch, the House adjourned at 1:05 p.m.

ERRATA

No.	Page	Col.	Line	Should read:
2	21	2	21	between the Oshawa and Whitby industrial areas.
21	837	1	20/21	Mr. S. Smith: —it is headed, "Klees Condemns Wells Over French School." Show the

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SPEAKERS IN THIS ISSUE

Angus, I. (Fort William NDP)
 Bain, R. (Timiskaming NDP)
 Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
 Bounsall, E. J. (Windsor-Sandwich NDP)
 Breauth, M. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. (Beaches-Woodbine NDP)
 Bullbrook, J. E. (Sarnia L)
 Campbell, M. (St. George L)
 Conway, S. (Renfrew North L.)
 Cunningham, E. (Wentworth North L)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Deans, I. (Wentworth NDP)
 di Santo, O. (Downsview NDP)
 Edighoffer, H. (Perth L)
 Germa, M. C. (Sudbury NDP)
 Gigantes, E. (Carleton East NDP)
 Godfrey, C. (Durham West NDP)
 Good, E.R. (Waterloo North L)
 Gregory, M. E. C. (Mississauga East PC)
 Grossman, L. (St. Andrew-St. Patrick PC)
 Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
 Hodgson, W. (York North PC)
 Kerrio, V. (Niagara Falls L)
 Laughren, F. (Nickel Belt NDP)
 Lewis, S.; Leader of the Opposition (Scarborough West NDP)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. (Hamilton East NDP)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
 McClellan, R. (Bellwoods NDP)
 McKeough, Hon. W. D.; Treasurer, Minister of Economic and Intergovernmental Affairs
 Chatham-Kent PC)
 McMurtry, Hon. R.; Attorney General (Eglinton PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Newman, B. (Windsor-Walkerville L)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Norton, Hon. K.; Minister of Community and Social Services (Kingston and the Islands PC)
 Renwick, J. A. (Riverdale NDP)
 Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
 Riddell, J. (Huron-Middlesex L)
 Rowe, Hon. R. D.; Speaker (Northumberland PC)
 Ruston, R. F. (Essex North L)
 Sandeman, G. (Peterborough NDP)
 Singer, V. M. (Wilson Heights L)
 Smith, G. E.; Deputy Chairman (Simcoe East PC)
 Smith, S. (Hamilton West L)
 Stephenson, Hon. B.; Minister of Labour (York Mills PC)
 Stokes, J. E.; Chairman (Lake Nipigon NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)

Warner, D. (Scarborough-Ellesmere NDP)

Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)

Wells, Hon. T. L.; Minister of Education (Scarborough North PC)

Wildman, B. (Algoma NDP)

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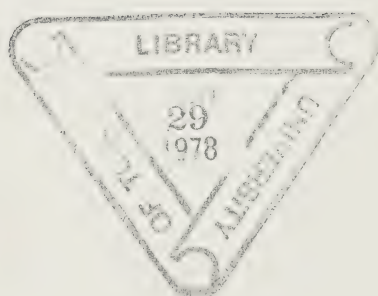
Debates and Proceedings

of the

Fourth Session of the Thirtieth Legislature
and Supply Committees
of the
Province of Ontario

Tuesday, March 29, 1977 — Friday, April 29, 1977

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Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, Q.C.

Members of the Executive Council*

Hon. William G. Davis, *Premier and President of the Council*
Hon. Robert Welch, *Minister of Culture and Recreation*
Hon. James A. C. Auld, *Chairman, Management Board of Cabinet*
Hon. Rene Brunelle, *Provincial Secretary for Resources Development*
Hon. Thomas L. Wells, *Minister of Education*
Hon. George A. Kerr, *Minister of the Environment*
Hon. Leo Bernier, *Minister of Northern Affairs*
Hon. James W. Snow, *Minister of Transportation and Communications*
Hon. Margaret Birch, *Provincial Secretary for Social Development*
Hon. Claude Bennett, *Minister of Industry and Tourism*
Hon. W. Darcy McKeough, *Treasurer, Minister of Economics and
Intergovernmental Affairs*
Hon. Arthur K. Meen, *Minister of Correctional Services*
Hon. William Newman, *Minister of Agriculture and Food*
Hon. Sidney B. Handleman, *Minister of Consumer and Commercial Relations*
Hon. Frank S. Miller, *Minister of Natural Resources*
Hon. John R. Rhodes, *Minister of Housing*
Hon. Dennis R. Timbrell, *Minister of Health*
Hon. John P. MacBeth, *Provincial Secretary for Justice and Solicitor General*
Hon. John R. Smith, *Minister of Government Services*
Hon. Margaret Scrivener, *Minister of Revenue*
Hon. Harry C. Parrott, *Minister of Colleges and Universities*
Hon. James A. Taylor, *Minister of Energy*
Hon. Bette Stephenson, *Minister of Labour*
Hon. Roy McMurtry, *Attorney General*
Hon. Keith Norton, *Minister of Community and Social Services*
Hon. Lorne C. Henderson, *Minister without Portfolio and Chairman of Cabinet*

Parliamentary Assistants*

Mr. Frank Drea, *Assistant to the Minister of Consumer and Commercial Relations*
Mr. Robert G. Eaton, *Assistant to the Minister of Agriculture and Food*
Mr. Larry Grossman, *Assistant to the Attorney General*
Mr. William Hodgson, *Assistant to the Minister of Housing*
Mr. Terry Jones, *Assistant to the Provincial Secretary for Social Development*
Mr. Robert D. Kennedy, *Assistant to the Minister of Education*
Mr. John Lane, *Assistant to the Minister of Transportation and Communications*
Mr. Nicholas G. Leluk, *Assistant to the Minister of Culture and Recreation*
Mr. George McCague, *Assistant to the Treasurer and Minister of Economics and
Intergovernmental Affairs*
Mr. Douglas J. Wiseman, *Assistant to the Minister of Health*
Mr. Paul J. Yakubski, *Assistant to the Minister of Natural Resources*

*Constitution of the Executive Council and list of Parliamentary Assistants at adjournment on April 29, 1977.

Provincial Parliament Members*

Angus, I. (N.D.P.) Fort William	Drea, F. (P.C.) Scarborough Centre
Auld, Hon. J. A. C. (P.C.) Leeds	Duksza, J. (N.D.P.) Parkdale
Bain, R. (N.D.P.) Timiskaming	Eakins, J. (L.) Victoria-Haliburton
Belanger, J. A. (P.C.) Prescott and Russell	Eaton, R. G. (P.C.) Middlesex
Bennett, Hon. C. (P.C.) Ottawa South	Edighoffer, H. (L.) Perth
Bernier, Hon. L. (P.C.) Kenora	Evans, D. A. (P.C.) Simcoe Centre
Birch, Hon. M. (P.C.) Scarborough East	Ferrier, W. (N.D.P.) Cochrane South
Bounsall, E. J. (N.D.P.) Windsor-Sandwich	Ferris, J. P. (L.) London South
Breaugh, M. (N.D.P.) Oshawa	Foulds, J. F. (N.D.P.) Port Arthur
Breithaupt, J. R. (L.) Kitchener	Gaunt, M. (L.) Huron-Bruce
Brunelle, Hon. R. (P.C.) Cochrane North	Germa, M. C. (N.D.P.) Sudbury
Bullbrook, J. E. (L.) Sarnia	Gigantes, E. (N.D.P.) Carleton East
Burr, F. A. (N.D.P.) Windsor-Riverside	Givens, P. G. (L.) Armourdale
Bryden, M. (N.D.P.) Beaches-Woodbine	Godfrey, C. (N.D.P.) Durham West
Campbell, M. (L.) St. George	Good, E. R. (L.) Waterloo North
Cassidy, M. (N.D.P.) Ottawa Centre	Grande, A. (N.D.P.) Oakwood
Conway, S. (L.) Renfrew North	Gregory, M. E. C. (P.C.) Mississauga East
Cunningham, E. (L.) Wentworth North	Grossman, L. (P.C.) St. Andrew-St. Patrick
Davidson, M. (N.D.P.) Cambridge	Haggerty, R. (L.) Erie
Davis, Hon. W. G. (P.C.) Brampton	Hall, R. (L.) Lincoln
Davison, M. (N.D.P.) Hamilton Centre	Handleman, Hon. S. B. (P.C.) Carleton
Deans, I. (N.D.P.) Wentworth	Henderson, Hon. L. C. (P.C.) Lambton
di Santo, O. (N.D.P.) Downsview	Hodgson, W. (P.C.) York North

Irvine, D. R. (P.C.)
 Carleton-Grenville

 Johnson, J. (P.C.)
 Wellington-Dufferin-Peel
 Johnston, R. M. (P.C.)
 St. Catharines
 Jones, T. (P.C.)
 Mississauga North

 Kennedy, R. D. (P.C.)
 Mississauga South
 Kerr, Hon. G. A. (P.C.)
 Burlington South
 Kerrio, V. (L.)
 Niagara Falls

 Lane, J. (P.C.)
 Algoma-Manitoulin
 Laughren, F. (N.D.P.)
 Nickel Belt
 Lawlor, P. D. (N.D.P.)
 Lakeshore
 Leluk, N. G. (P.C.)
 York West
 Lewis, S. (N.D.P.)
 Scarborough West
 Lupusella, A. (N.D.P.)
 Dovercourt

 MacBeth, Hon. J. P. (P.C.)
 Humber
 MacDonald, D. C. (N.D.P.)
 York South
 Mackenzie, R. (N.D.P.)
 Hamilton East
 Maeck, L. (P.C.)
 Parry Sound
 Makarchuk, M. (N.D.P.)
 Brantford
 Mancini, R. (L.)
 Essex South
 Martel, E. W. (N.D.P.)
 Sudbury East
 McCague, G. (P.C.)
 Dufferin-Simcoe
 McClellan, R. (N.D.P.)
 Bellwoods
 McEwen, J. E. (L.)
 Frontenac-Addington
 McKeough, Hon. W. D. (P.C.)
 Chatham-Kent

 McKessock, R. (L.)
 Grey
 McMurtry, Hon. R. (P.C.)
 Eglinton
 McNeil, R. K. (P.C.)
 Elgin
 Meen, Hon. A. K. (P.C.)
 York East
 Miller, Hon. F. S. (P.C.)
 Muskoka
 Miller, G. I. (L.)
 Haldimand-Norfolk
 Moffatt, D. (N.D.P.)
 Durham East
 Morrow, D. H. (P.C.)
 Ottawa West

 Newman, B. (L.)
 Windsor-Walkerville
 Newman, Hon. W. (P.C.)
 Durham-York
 Nixon, R. F. (L.)
 Brant-Oxford-Norfolk
 Norton, Hon. K. (P.C.)
 Kingston and the Islands

 O'Neil, H. (L.)
 Quinte

 Parrott, Hon. H. C. (P.C.)
 Oxford
 Peterson, D. (L.)
 London Centre
 Philip, E. (N.D.P.)
 Etobicoke

 Reed, J. (L.)
 Halton-Burlington
 Reid, T. P. (L.-Lab.)
 Rainy River
 Renwick, J. A. (N.D.P.)
 Riverdale
 Rhodes, Hon. J. R. (P.C.)
 Sault Ste. Marie
 Riddell, J. (L.)
 Huron-Middlesex
 Rollins, C. T. (P.C.)
 Hastings-Peterborough
 Rowe, Hon. R. D. (P.C.)
 Northumberland
 Roy, A. J. (L.)
 Ottawa East
 Ruston, R. F. (L.)
 Essex North

PROVINCIAL PARLIAMENT MEMBERS—*Continued*

Samis, G. (N.D.P.)
 Cornwall
 Sandeman, G. (N.D.P.)
 Peterborough
 Sargent, E. (L.)
 Grey-Bruce
 Scrivener, Hon. M. (P.C.)
 St. David
 Shore, M. (P.C.)
 London North
 Singer, V. M. (L.)
 Wilson Heights
 Smith, G. E. (P.C.)
 Simcoe East
 Smith, Hon. J. R. (P.C.)
 Hamilton Mountain
 Smith, R. S. (L.)
 Nipissing
 Smith, S. (L.)
 Hamilton West
 Snow, Hon. J. W. (P.C.)
 Oakville
 Spence, J. P. (L.)
 Kent-Elgin
 Stephenson, Hon. B. (P.C.)
 York Mills
 Stokes, J. E. (N.D.P.)
 Lake Nipigon
 Stong, A. (L.)
 York Centre
 Swart, M. (N.D.P.)
 Welland-Thorold
 Sweeney, J. (L.)
 Kitchener-Wilmot

Taylor, Hon. J. A. (P.C.)
 Prince Edward-Lennox
 Timbrell, Hon. D. R. (P.C.)
 Don Mills

Villeneuve, O. F. (P.C.)
 Stormont-Dundas-Glengarry

Warner, D. (N.D.P.)
 Scarborough-Ellesmere
 Welch, Hon. R. (P.C.)
 Brock

Wells, Hon. T. L. (P.C.)
 Scarborough North

Wildman, B. (N.D.P.)
 Algoma

Williams, J. (P.C.)
 Oriole

Wiseman, D. J. (P.C.)
 Lanark

Worton, H. (L.)
 Wellington South

Yakabuski, P. J. (P.C.)
 Renfrew South

Young, F. (N.D.P.)
 Yorkview

Ziemba, E. (N.D.P.)
 High Park-Swansea

*As at adjournment, April 29, 1977.

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- Canada Trustco Mortgage Company
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Prohibition Act, No. 39
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Fred Leblond Cement Products Limited
Act, No. Pr16
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- Tax Refund Discounts Act, No. 15
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Bill 2—Highway Traffic Amendment Act—Hon. J. W. Snow

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Bill 6—Family Law Reform Act—Hon. R. McMurtry

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Bill 7—Marriage Act—Hon. R. McMurtry

First reading 38.

Bill 8—Succession Law Reform Act—Hon. R. McMurtry

First reading 38.

Bill 9—Children's Law Reform Act—Hon. R. McMurtry

First reading 38.

Bill 11—Personal Property Security Amendment Act—Hon. S. B. Handleman

First reading 38.

Bill 14—Labour Relations Amendment Act—Hon. B. Stephenson

Ministerial statement 21. First reading 39.

Bill 19—Commodity Futures Act—Hon. S. B. Handleman

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Bill 20—Securities Act—Hon. S. B. Handleman

Ministerial statement 139. First reading 153.

Bill 21—Business Corporations Amendment Act—Hon. S. B. Handleman

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Bill 24—Audit Act—Hon. W. D. McKeough

Ministerial statement 224. First reading 240.

Bill 26—Ministry of Northern Affairs Act—Hon. W. G. Davis

Ministerial statement 274. First reading 291.

Bill 28—Residential Premises Rent Review Amendment Act

—Hon. S. B. Handleman

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Bill 29—Successor Rights (Crown Transfers) Act—Hon. J. A. C. Auld

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Bill 31—Essex County French Language Secondary School Act

—Hon. T. L. Wells

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Bill 34—Airports Amendment Act—Hon. J. W. Snow

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Bill 35—Public Vehicles Amendment Act—Hon. J. W. Snow

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Bill 36—Waterloo Electrical Service Areas Act—Hon. W. D. McKeough

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Bill 40—Income Tax Amendment Act—Hon. W. D. McKeough

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Bill 41—Ontario Unconditional Grants Amendment Act

—Hon. W. D. McKeough

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Bill 42—Succession Duty Amendment Act—Hon. W. D. McKeough

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Bill 43—Ontario Loan Act—Hon. W. D. McKeough

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Bill 44—Venture Investment Corporations Registration Act

—Hon. W. D. McKeough

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Bill 45—Tobacco Tax Amendment Act—Hon. W. D. McKeough

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Bill 46—Ontario Youth Employment Act—Hon. W. D. McKeough

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Bill 47—Retail Sales Tax Amendment Act—Hon. M. Scrivener

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Bill 48—Land Transfer Tax Amendment Act—Hon. M. Scrivener

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Bill 49—Land Speculation Tax Amendment Act—Hon. M. Scrivener

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Bill 50—Corporations Tax Amendment Act—Hon. M. Scrivener

First reading 699.

Bill 51—Gift Tax Amendment Act—Hon. M. Scrivener

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Bill 52—Motor Vehicle Fuel Tax Amendment Act—Hon. M. Scrivener

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Bill 55—Ryerson Polytechnical Institute Act—Hon. H. C. Parrott

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Bill 59—Environmental Assessment Amendment Act—Hon. G. A. Kerr

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Bill 62—Ministry of Labour Amendment Act—Hon. B. Stephenson

Ministerial statement 879. First reading 900.

Bill 63—Regional Municipalities Amendment Act—Hon. W. D. McKeough
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Bill 64—District Municipality of Muskoka Amendment Act
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Bill 65—County of Oxford Amendment Act—Hon. W. D. McKeough
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Bill 66—Municipality of Metropolitan Toronto Amendment Act
—Hon. W. D. McKeough
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Bill 67—Municipal Amendment Act—Hon. W. D. McKeough
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Bill 68—Public Utilities Amendment Act—Hon. W. D. McKeough
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Bill 69—City of Timmins-Porcupine Amendment Act—Hon. W. D. McKeough
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- Bill 4—Freedom of Information Act—P. D. Lawlor**
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- Bill 5—Proceedings against the Crown Amendment Act—R. D. Kennedy**
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- Bill 10—Elections Finances Reform Amendment Act—J. Johnson**
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- Bill 12—Class Actions Act—P. D. Lawlor**
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- Bill 13—Occupiers' Liability Act—P. D. Lawlor**
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- Bill 15—Tax Refund Discounts Act—M. Davison**
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- Bill 16—Ontario Human Rights Code Amendment Act—M. Campbell**
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- Bill 17—Public Utilities Amendment Act—B. Newman**
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- Bill 18—Good Samaritan Act—R. Haggerty**
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- Bill 22—Labour Relations Amendment Act—R. Haggerty**
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Bernier 476; Birch S43-4; Campbell S43-4; Foulds 405, 803-4, 886; Laughren 347-8, 500; MacBeth 803-4, 886; Meen 626, 635; F.S. Miller 404-5, 491-2, 499-500; Reid 404, 499-500; J.R. Smith 635; S. Smith 635.

Firefighters/firefighting

MacBeth 893; Wildman 893.

Fires, forest (*see* Forest fires)

First aid services (*see* Emergency/first aid services)

Fiscal policy

Cassidy 26; McKeough 25-6; S. Smith 25, 160; Williams 199.

Fish hatcheries

Foulds 149; F.S. Miller 149; G.I. Miller 149; Reid 149.

Fishing, commercial

Bernier 799; Foulds 799; G.I. Miller 362-3.

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Bernier 798; Kerr 831-3; Lewis 798, 831-2; F.S. Miller 149; G.I. Miller 149; Reid 832.

Flooding/control

Gaunt 286, 333-4; F.S. Miller 286.

Florists (*see* Greenhouses/florists)

Fluorides/fluoridation

Deans 324; Nixon 325; Timbrell 324-5.

Foreign aid

Davis 411-2, 884; Good 411, 884; MacDonald 884.

Forest fires

Brunelle 290; Foulds 290, 405, 499; F.S. Miller 404-5, 491-2, 499-500; Reid 290, 404, 499-500.

Forest industries/products

Foulds 320; F.S. Miller 320.

Forest rangers, junior

F.S. Miller 987-8; B. Newman 546.

Forest regeneration/reforestation

Foulds 283, 499; F.S. Miller 281-3, 499; Peterson 923-4; Reid 281-2.

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Fraud, OHIP

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Freedom of information

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Fund raising/organizations

B. Newman 1004.

Funeral homes/directors

Bounsall 442; Timbrell 442.

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Gangs (*see* Violence, street)

Garbage dumps (*see* Landfill)

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Geriatrics

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GO transit service

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Gold mining assistance

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Government spending

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Grants, conservation/authorities

F.S. Miller 718-9; O'Neil 718-9.

Grants, French language

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Grants, home buyers

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Grants, housing, federal (*see* Housing programmes, federal)

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Grants, museum

Welch 135.

Grants, rental construction

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Grants, students

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Grants, Wintario

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Grievances/procedures

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Handicapped, facilities for

Birch 63, S5; Sandeman 63-4, S56-7.

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Birch 892, S47-50, S55-6; Campbell 68; di Santo 100-1; Norton 68-9, 891; Ruston 891; Sandeman 892, S47-50, S56-7; Stephenson 101.

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Headway Corp. Ltd.

Renwick 673; Rhodes 673.

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Health, occupational

Bryden 34; Campbell 314-5; Laughren 212-3, 348-52; Lewis 110-1, 124-6, 141, 314, 844; Mackenzie 34; Martel 35-6, 142; Stephenson 34, 97-8, 141-2, 150, 213-5, 314-5, 565, 844, 987; Timbrell 36; Wildman 97, 149-50.

Health care/services

Bain 721; Reid 720, 996; Timbrell 720-1, 996-8.

Health centres, community

S. Smith 289; Timbrell 289.

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Dukszta 408; Peterson 917; Timbrell 408.

Health councils

McKessock 633; Timbrell 629-33.

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Health service organizations (*see* **Health centres, community**)

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Heat treating companies

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Nixon 452; Welch 452.

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Grande 323; Wells 323-4.

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Highway transport board

Cunningham 642; S. Smith 642; Snow 642.

Highways

Angus 639; Foulds 639; O'Neil 805; Snow 542-3, 639-40, 805; Wildman 542-3.

Holding tanks (*see* **Septic/holding tanks**)

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Home care services

Birch S60-1, S88-91; McClellan S88, S91; Sandeman 480, S59-62.

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Breaugh R15; Mackenzie 569; Rhodes R34.

Home renewal programme (*see* **Housing renewal programmes**)

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Homemakers' services

Birch S18-21, S60-2, S90-1; Campbell S17-8; Haggerty S20; McClellan S60, S90-1; Sandeman S61, S64.

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Hospital/bed shortage/surplus

Lewis 630-1; Timbrell 628-33.

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164; Williams 193-6.

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Housing, condemned (*see* Building codes/standards)

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R77-80.

Housing, mobile

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Housing, public

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R32.

Housing, rental

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Deans 1041; Hall 532; Handleman 311, 966;
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Housing, substandard

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Housing Action programme

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Breaugh R13-6, R18; Gigantes R77-80; Hall
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Housing authorities

Breaugh R21; Crosbie R38-9; Gigantes
R80-2; Hall R29; Rhodes R11, R31, R35-6,
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Handleman 311, 965; Lewis 24-5; Rhodes
24-5, 86-7, 232, 239-40, 891, R32, R43.

Housing renewal programmes

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Housing starts

Bryden 1080; Hall R45-6; McKeough
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Human rights

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Grossman 1021-2; Sandeman 1019-21;
Sweeney 1021; Williams 1018-9.

Huronia Regional Centre

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278; Reed 277; Reid 890; Taylor 276-8,
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Income, guaranteed

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Inquiry, Malden township

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Inquiry, Ronto Development

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